The China Weekly REVIEW

密勒氏評論報

A Weekly Newspaper Established in 1917

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"God's Farmers"---Illustrated---And Some Other Things at Tientsin!

OTHER ARTICLES IN THIS ISSUE

What Would U.S. Farmers Do in a Case Like This?

Author of "Three-Point" Policy in China Heads Gaimusho for Third Time

Japan's Opium Policy Denounced at Geneva

Liu Lu-ying Sentenced to Ten Years' Imprisonment; Gen. Chiang Summons Educators' Conference

The Duke of Windsor Asks for Privacy

Japanese Drug Traffic Invades South China

(By the Review's South China Correspondent)

Nanking After Ten Years of Reconstruction . By C. Y. W. Meng

North-Eastern Army to Be Nationalized and Modernized . . . . . By C. Y. Chang

SATURDAY, JUNE 12, 1937 VOLUME 81, NUMBER 2

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Formerly Millard's Review

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Formerly Millard's Review

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WHAT WOULD U. S. FARMERS DO IN A CASE LIKE THIS?

THE writer of the article dealing with the situation at Tientsin, which appears elsewhere in this issue, related in the course of a letter an interesting experience which occurred while he was investigating the incident connected with the burning of some buildings belonging to the Seinoen or "God's Farmers" at Tientsin. The leader of the Japanese organization, Eizo Shima, whose home is at Amori, Japan, but who apparently had served until recently as secretary of a Japanese farming organization at Harbin, Manchuria, was explaining to *The Review's* correspondent the circumstance of the raid, allegedly by Chinese, which culminated in the burning of three small houses in the early morning of Wednesday, June 2, on the Japanese "farm". As indicated in the article the property which the Japanese organization has leased is located about 3½ miles from the borders of the foreign settlements in Chinese territory. After telling how his organization was interested only in helping China improve her agriculture, and how the raid on his property indicated China's lack of appreciation of Japanese assistance, Mr. Shima turned to our correspondent, an American, and inquired: "What would the Americans have done if this had happened in the United States?"

Apparently Mr. Shima was unfamiliar with what had happened in innumerable similar cases in California and other western American states extending over a long period, including some recent incidents involving Japanese land leases in Arizona and New Mexico which had necessitated the calling out of state militias to prevent violence. The situation at Tientsin, involving the wholesale alienation of Chinese land to the Japanese, is probably worse than anything that ever happened in any one community in the United States during the height of the period when the Japanese were fighting for a colonial foothold through the leasing of large areas of farm land in California. Our correspondent,

who was somewhat familiar with developments in similar cases in the United States, stated that he could have imagined the incidents concerned with the Seinoen farm at Tientsin as having occurred with far greater violence in almost any farming community in the western U. S. A. The Japanese acquisition of Chinese properties at Tientsin is accompanied by manifestations similar to what occurred at an earlier decade in the United States. The Japanese are not only buying land directly from Chinese owners but are also utilizing the services of foreign, occidental, land concerns; hence Chinese land-brokers can claim they were not aware that the actual purchaser was a Japanese.

With no idea of encouraging the Chinese to further violence, it should be stated however that it was a development, similar to that now taking place at Tientsin, which precipitated the anti-Japanese land riots in California and other Western states of the American Union. The Americans had sought redress in the courts, but usually discovered that the rich Japanese land companies, incorporated under American laws, were able to employ smarter lawyers. The Japanese also employed skilled propagandists and made their influence felt in county and state politics. Finally the outraged farmers took matters into their own hands to prevent what they rightly regarded as an alien colonization of their best farming lands —and raided the Japanese farms and settlements and compelled the Japanese to evacuate. The whole activity was strictly illegal, but effective, and saved California from Japanese colonization. Later the state, and other western states, adopted anti-alien land laws and finally Congress adopted the anti-oriental (aimed chiefly at the Japanese) immigration laws which prevented Japanese farmers from going to the United States.

Whether the Japanese farm at Tientsin was actually raided by Chinese farmers, or students, or whether the incidents was staged by the Japanese themselves for some ulterior purpose is not known, the developments now taking place at the northern Chinese port do not differ much from developments at an earlier period in the United States. After all it is the Chinese peasant farmer in the northern Chinese provinces, as was the case in the Manchurian provinces, who is the chief sufferer from Japanese aggression. Wealthy Chinese officials and merchants and gentry are always able to sell out and get away—usually to some foreign concession—where they do not have to worry, for a time at least, about Japanese aggression. But the poor Chinese farmers cannot get away. They are a part of the land and stick to it until dispossessed, either by the Japanese or by their own officials acting on behalf of the Japanese aggressors.

The discussions now proceeding in the newspapers pertaining to Sino-Japanese "cooperation," in the northern Chinese provinces is not only a futile waste of words but actually misleading. The Japanese are not worrying whether China does or does not agree to "cooperation," because the Japanese actually are "moving in," particularly at Tientsin where their extensive land-holdings give them an economic base that cannot be upset except by superior force or long-sustained economic boycott. What Japan's ultimate intentions are with respect to Tientsin are not known, but present indications point to an early amalgamation with the East Hopei "government" which the Japanese army dominates almost as completely as it does Manchukuo. The effect of Japan's invasion of Tientsin is even discernible in the foreign concessions where all vacant properties are being gobbled up at high rentals to house the technical staffs, superintendents, engineers, foremen and hordes of other Japanese supervisors of new industrial plants actually under construction or in contemplation in the Tientsin area.

THE DUKE OF WINDSOR ASKS FOR PRIVACY

THE plea of the Duke of the Windsor shortly after his marriage to Mrs. Wallis Simpson that he and his bride should from now on be allowed more privacy and consideration is one that ought to be respected, and we believe it will be, if for no other reason than that his unusual romance will from now on cease to be "big news" in the eyes of the reporting world. As the French say, "Happy marriages have no history."

It was only natural that when a King of England (which also carries with it the title of Emperor of India) decided to renounce his throne for the love of a woman, that newspapermen throughout the world should have assiduously tracked the trail of every bit of news and gossip that was floating about, for the citizenry of the whole world was waiting for the *denouement*, namely the marriage. Now that it has occurred, however, the Duke and the Duchess will cease to be prominent news personages. They will probably not figure largely in the limelight until they, as we believe they eventually will, decide to make their home somewhere in the New World.

As an illustration of how the principals in happy marriages cease to be "news" one may cite the Berlin-Mackay romance. The way that couple was hounded by the newspaper fraternity would have wrecked almost any marriage, but it had no effect on the marriage of Irving Berlin and Ellin Mackay, which took place on January 4, 1926. The groom's name is an adopted one. The names of his parents as given in the *American Who's Who* are: Moses and Leah Baline; place of birth, Russia. He was of

(*Continued on page 72*)

God's Farmers, the Dope Traffic, and China's Waning Sovereignty at Tientsin

This is the third of a series of special articles on conditions in North China by The Review's editorial correspondent. Preceding articles published on May 22, 29 and June 5 dealt with Peiping currency and the anniversary of the Twenty-One Demands, and the situation in the East Hopei "Government."

THE situation at Tientsin has progressed (or retrograded) to a point where the local officials no longer wait for the Japanese to present demands. When anything happens to which the Japanese are likely to take offence, the Chinese officials immediately rush around to the Japanese Consulate-General or military headquarters (or both) and apologize in advance; or worse, they anticipate the Japanese demands and accept them prior to presentation!

This apparently was what happened in connection with the burning of some buildings belonging to "God's Farmers", or members of a curious Japanese organization known as the Seinoen or Sacred farming society which had leased a tract of land variously estimated from 50 to 250 acres from a Chinese landlord on the outskirts of the Tientsin foreign settlements.

The incident occurred at about 1 o'clock on the early morning of Wednesday, June 2. By 6 o'clock on the same morning Japanese consular police, gendarmes and officials of the north China garrison had investigated the incident and wired a report to Tokyo. Later a "vigorous" protest was lodged (*Domei*, June 2) with the Hopei-Chahar Political Council, but, according to an unofficial statement by a spokesman of the Japanese authorities, the Chinese authorities at Tientsin sent a representative to the Japanese Consulate-General and voluntarily offered to do the following things: (1) Release Ku En-fu, the Chinese landlord who had leased the property to the Japanese organization; (2) Recognize as legal the purchase of land outside the foreign settlements at Tientsin by Japanese subjects; (3) Provide adequate protection for Japanese lives and properties; (4) Discontinue all activities likely to cause uneasiness among the Japanese residents of north China.

Just what Chinese official could have been empowered to make such a devastating offer was not stated. The Mayor of Tientsin, Gen. Chang Tze-ching (who had just returned from a trip to Japan) was in Peiping conferring with officials of the Hopei-Chahar Political Council. The magistrate of Tientsin hsien or county, where the incident occurred was also in Peiping, announcedly for the purpose of conferring with the Mayor, Gen. Chang Tze-ching. Also, according to local reports the Mayor's secretary was ill and as for the head of the Hopei-Chahar Political Council, Gen. Sung Cheh-yuan, he was in the little village of Loling, northern Shantung, where he was engaged, in fact had been engaged for sometime, in performing the Confucian ritual of "sweeping the tombs of his ancestors."

However, a somewhat different version of the Japanese demands apparently was telegraphed by *Domei* to the newspapers in Japan, the report dated at Tientsin, June 3, stating that the "Sienoen" incident had been settled at 7 o'clock that night on the basis of the following Japanese demands, the presumption being that the Chinese authorities had accepted them:

1—Guarantee adequate protection for Japanese lives and properties both in and out of Tientsin.

2—Continue vigorous suppression of all anti-Japanese activities.

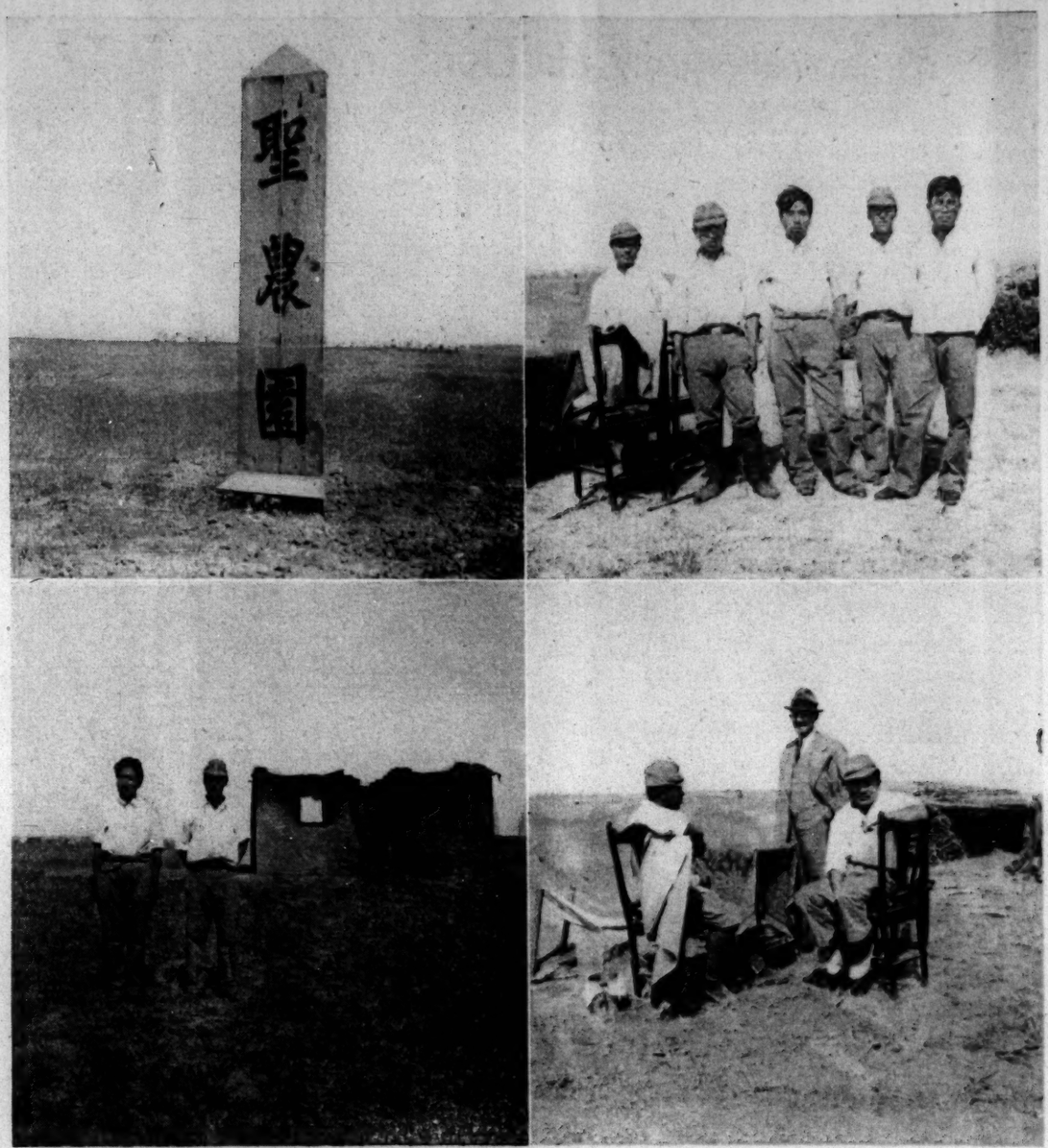
3—Release immediately the Chinese landlord (or partner) Ku En-fu.

4—Appointment of joint commission to investigate and make speedy settlement of Seinoen case.

The report sent from Tientsin by *Reuters* on June 3 was similar to that issued by the spokesman of the Japanese authorities (see Paragraph 3 above) which the Chinese authorities at Tientsin allegedly accepted. Whether the Chinese authorities did or did not accept the Japanese demands was impossible of verification in Tientsin due to the absence of all responsible officials. The reports were completely suppressed in the Chinese newspapers and were printed with considerable caution even by the foreign newspapers. Chinese civilians at Tientsin insisted that the Japanese version, according to which the Japanese demands had been accepted, could not be correct owing to the absence of responsible officials from the city.

In the meantime an incident of most serious character, which the Japanese themselves immediately recognized as being similar to the Hungchun riots which preceded the Manchurian intervention in 1931 has suddenly become suspiciously quiet. One hears various explanations: the Japanese were not prepared to press the case due to the new Prince Konoye Cabinet not having been completed; that the Japanese would use the incident, along with a number of others in various parts of the country, to compel Nanking to agree to the right of Japanese to purchase and lease land in the northern provinces and consent generally to a special status in North China; that the Chinese authorities had already consented to Japanese demands on the land ownership issue. A further reason for alleged caution on Japan's part, referred to in Tientsin, was due to the desire of the Tokyo authorities not to stir up a commotion in North China while the Anglo-

"GOD'S FARMERS" HAVE COMPLICATIONS AT TIENTSIN



These pictures, first to be printed in any Far Eastern publication, were taken on the Japanese Seinoen, or "Holy Farm," owned by the Sacred Farming Society, following the incident described in the accompanying article. The picture in the upper left corner shows the sign-board which has been set up on the property. The characters stand for "Sacred Farm Garden," The picture at the upper-right shows five of the dozen young Japanese farmers interested in the project who were present on the night of the fire. Lower left shows two of the Japanese farmers standing before one of the burned buildings wherein allegedly was found the body of a Chinese whom the Japanese claim was a member of the gang which raided the premises. Lower right shows two of the farmers sitting at a table which was rescued from the fire. The foreigner is a newspaperman who visited the scene.

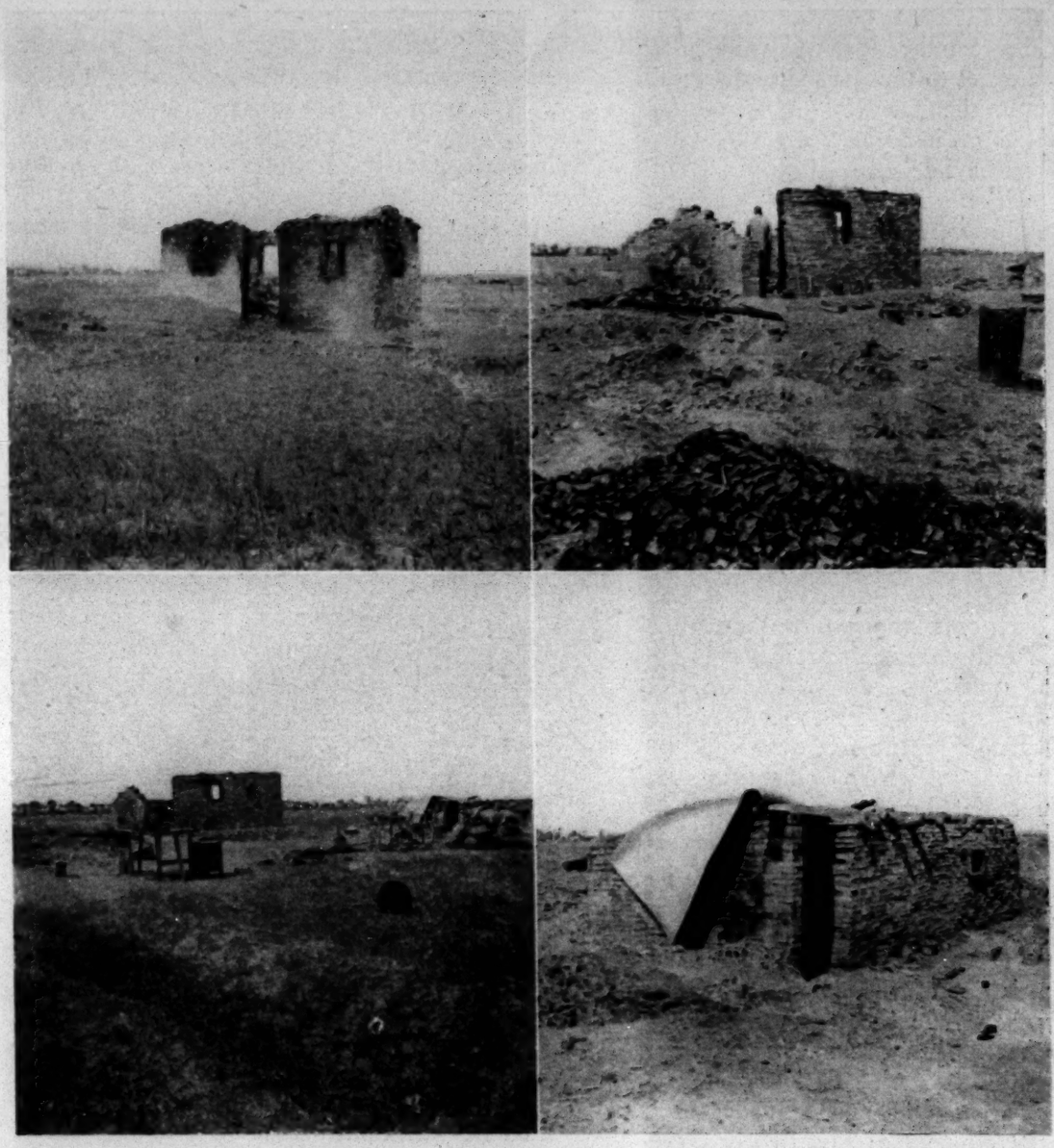
Japanese conversations were proceeding in London.

LAND OWNERSHIP ISSUE

The *Yomiuri Shimbun* (Tokyo) pointed out that present Sino-Japanese relations resembled the situation immediately preceding the Manchurian incident in 1931 . . . . "China was again trying to drive Japan's rights and interests out by means of the policy of depending on Europe and America . . . Prior to the Manchurian incident, Japan's position as the "stabilizing influence in Asia" had been greatly compromised by the Washington Conference treaties, Versailles treaty, London naval agreements . . . China regarded herself as superior to Japan . . . . Japanese even feared they would lose their rights and interests in Manchuria . . . . Shidehara diplomacy, traditional since the Versailles treaty, was following a policy of non-interference . . . . the question was even raised whether Japan could afford to abandon its position on the Continent which had been erected as a result of the Sino-Japanese and Russo-Japanese wars . . . . questions which even today have not been unified . . . . Again the issue hinges upon the handling of Sino-Japanese relations . . . . in other words the question is whether or not Japan should again 'secure firmely' its position as the stabilizing influence in the Far East . . . . again the domestic and foreign situations confronting Japan are reminiscent of conditions prevailing before the outbreak of the Manchurian incident . . . . How long can such a state of affairs be allowed to continue . . . . it's a situation the people of Japan must deplore . . . . "

Prior to the outbreak of the Manchurian complications the most serious of innumerable issues between Chinese and Japanese in the north-eastern provinces was the right of Japanese to own land. The Japanese had obtained that right (by intimidation) in the Twenty-One Demands

RUINS OF JAPANESE FARM HUTS BURNED AT TIENTSIN



The picture at the upper left shows the remains of the building wherein was discovered the badly burned body of a Chinese, allegedly a member of the raiding party. The building, which stood a considerable distance from the others was used to house agricultural implements and oil for the gasoline engines which operated the irrigation pumps. The picture at the upper-right shows the remains of the building which was occupied by the leader of the group of "God's Farmers," Eizo Shima of Aomori (Ken) Japan and his wife on the night of the fire. Although the building was completely destroyed none of the Japanese was injured. Lower left indicates the squatter-like nature of the enterprise. Lower right shows the dug-out wherein most of the dozen young Japanese farmers were sleeping on the night of the fire. The buildings were made of one layer of cheap bricks with a thatched roof made of matting, reeds and covered with mud.

of 1915, but Marshal Chang Tso-ling and his son and successor, Marshal Chang Hsueh-liang, had forbidden the Chinese to dispose of their land to the Japanese. At the village of Hungchun, near Changchun, Chinese farmers raided a Korean farming enterprise and destroyed several drainage ditches. The Chinese farmer who had leased the land to the Japanese and Koreans had been arrested. The Japanese sent troops to the district and . . . the scenery was set for the occupation of Mukden a few weeks later.

The amount of land which the Japanese have purchased in the northern Chinese provinces, particularly in the vicinity of Tientsin and Tangku and in the East Hopei area along the coast and in the Chinwangtao-Shanhaikwan district, and at Tungchow, is not known because most of the deals have been secret. But it is known that the tracts of land which have passed into Japanese ownership constitute an enormous area, especially in the vicinity of Tientsin where one observes the construction of walls about large holdings on all sides. A foreigner who had checked on a map the various tracts of land which the Japanese have purchased, or are in process of purchasing, for air-fields, factory sites, schools, barracks and other purposes, showed that the various sites are so located as practically to envelope the city. On the Tangku road, one observes long lines of Chinese carts hauling bricks for new Japanese construction, especially the building of strong walls about large tracts amounting to hundreds of acres. One is told that a Japanese cotton mill is to be built here, a salt refinery there, a rayon factory and a glass plant here, a cigarette factory there, and schools everywhere, one recently completed costing Yen 500,000, built to accommodate 700 students, another built from Japanese Boxer indemnity funds for Chinese children, but as yet no Chinese chil-

dren have enrolled.

Although the officials of the Hopei-Chahar Political Council raised no objection last year when Chinese bankers and cotton-mill owners disposed of their factories to the Japanese, the rapid transfer of land in the Tientsin district created alarm so Gen. Sung Cheh-yuan recently issued an order, making the sale or leasing of land to aliens a capital offence. The first case apparently concerned a landowner named Ku En-fu whom the Japanese claimed was a partner in the Sacred Farming Society's enterprise at Tungloutsun, located about 3½ miles southeast of the foreign settlements. The district is listed on the Tientsin maps as "low area grasslands inundated in rainy season," and Chinese farmers in the vicinity insisted the land was so impregnated with alkali as to be useless for agriculture, its only value being for the production of coarse grass or reeds. However, Eizo Shima, 28-year old farmer from Aomori, Japan, head of the Seinoen organization of God's Farmers, claimed that he possessed a type of fertilizer or system which would eliminate the alkali and make the tract valuable for market-gardening purposes, especially for rice and cabbages. With him were associated twelve or fifteen other young Japanese farmers and, according to his statement, twenty Chinese, the object being to promote Sino-Japanese cooperation and help China.

⁂

For several days prior to the incident the Japanese newspapers in Tientsin had complained of interference on the part of the Chinese authorities with the activities of the Seinoen. It was alleged by *Domei* on June 1 that a Chinese constable had interfered when two members of the Japanese organization had tried to employ Chinese farmers; that a constable had pointed a bayonet at one of the Nipponese; that two or three Chinese employes had disappeared because of intimidation and threats of death; that students "possessing anti-Japanese ideas" had frequently appeared in the neighborhood with the intention of creating trouble; that it had been necessary for the Japanese society to post a guard at the field.

⁂

No one in Tientsin seemed to know when the Sacred Farming society first began its operations in the Tungloutsun district. Eizo Shima, head of the organization, claimed he had resided in Tientsin for three years, but later stated he had arrived only a few weeks previously from Harbin, North Manchuria, where he also had been engaged in farming. He claimed that he and his associates were genuine farmers and had no other object than the development of a market-gardening project in the vicinity of Tientsin. He was, however, indefinite as to the source of funds which had made it possible for the organization to lease such a large tract of land, variously estimated from 50 to 250 acres. Four buildings had been completed and a foundation was being constructed for a fourth and larger structure. Two of the structures, one of a dug-out type, had flimsy one-tier brick walls, put up without cement, and covered with reeds and mud. Another was of typical Chinese construction consisting of mud-brick walls and thatched roof. A fourth building, located a considerable distance away and undamaged by the raiders, was also of mud-brick construction. In the vicinity were two gasoline-propelled pumps which had just been set up for irrigation purposes. One was smashed and the other thrown into a pond by the raiders.

⁂

According to the Japanese, the raiders, ten in number, appeared at about 1 o'clock when it was quite dark. The watchman was on a distant part of the property. By piling grass and reeds against the buildings and soaking them with kerosene and gasoline, three of the buildings were set on fire and two completely destroyed. Of the twelve Japanese on the premises, two, the foreman and his wife were asleep in one of the buildings and the others, ten in number, were asleep in the other building, the dug-out. The Japanese were unaware of any trouble until they awoke and saw the flames, but when they ran out of the buildings the marauders, allegedly Chinese, ran away and disappeared. Foreigners who visited the scene the day of the fire (in the afternoon) were assured that no one had been injured. However, it developed on the following day that the body of an unknown Chinese had been found in the debris of the third building. His face and head were so badly burned that he could not be identified. The Japanese claimed he was a member of the raiding party. Despite the fact that two buildings (one-room-one-story) were completely burned out and a third partially burned, and two pumps damaged, the total loss was comparatively small, probably not exceeding $1,500. Most of the furniture and clothing and been saved. The remainder of the story is told by the accompanying pictures.

⁂

TIENTSIN'S CORPSE MYSTERY

Early in May, Gen. Sung Cheh-yuan, head of the Hopei-Chahar Political Council, offered a reward of $5,000 to anyone who could solve the so-called "Tientsin Corpse Mystery." In addition to the monetary prize the Chinese newspapers reported that any Chinese official, able to solve the mystery, would not only receive $5,000 but would be promoted three ranks. Thus far there has been no official announcement of the awarding of these prizes—but the corpses have ceased

JAPANESE FARMING PIONEERS BURNED OUT

These pictures indicate the temporary or "squatter-like" nature of the Sacred Farming Society's enterprise at Tientsin, which was the scene of an incident resembling somewhat the Hung-chun incidents in Manchuria which precipitated the Japanese intervention and later occupation of the Northeastern provinces. Upper left shows two of the Japanese "God's Farmers" discussing their troubles with a foreign journalist. They are sitting on chairs and at a table which they salvaged from the fire which the Japanese claim was started by Chinese marauders. The picture at the upper right shows Japanese visitors from Tientsin at the farm following the incident. The figure, second from the right, is a Japanese military officer from the Tientsin garrison. Lower left shows further Japanese visitors at the scene of the incident. Lower right shows another of the burned structures.

to float in the Hai Ho. At least none had been found for several days following May 25 when the last ones were picked up, the total number found floating in the river between May 5 and 25 being 107. According to Judge Ma Yi-teh, formerly member of the Supreme Court in the old Peking Government and now connected with the judicial division of the police department of Tientsin an inspection of the 107 bodies found in the river showed one to have been a suicide as a note to this effect was found in the pocket. Another was murdered by being struck on the head. Seven other bodies were those of persons who apparently had died of various ailments. The remaining bodies, 98 in number, had no evidence of wounds, were all of the male sex and apparently between 20 and 40 years of age. On May 8 the authorities found six bodies lying on the bank of the Hai Ho in the vicinity of the Chingtang bridge and near the Chinese telegraph office, located near the intersection of the Japanese Concession and Chinese Municipality. Upon inspection it was found that one of the supposed corpses was alive. It turned out to be a man named Chia Yung-chi who was suffering from narcotic poisoning. He is still in a local hospital receiving treatment. This case, plus the arrest of three coolies named Yang Shiang, Kung Chao-yuan and Li Hwa-kung, and another coolie named Meng Yuan-tan (arrested a week later) gave a hint as to the origin of the bodies. On May 17 the arrest of two additional Chinese named Tien Kuo-shu and (his nephew) Tien Ten-king, effectively cleared up one phase of the mystery—that the corpses had come from the Japanese concession and apparently represented persons who had died of narcotic poisoning. The two Chinese arrested, Tien Kuo-shu and his nephew, apparently were the persons authorized by a local charitable organization to bury bodies of unknown persons picked up in Tientsin. Instead of disposing of the bodies in normal

fashion, or possibly due to the great increase in the number found, the two Tiens apparently had paid someone to throw them into the river, hoping they would float out to sea. It was reported that last year, following the thawing of the ice in the Hai Ho, some 300 such bodies were found. However, it was not until this year that they were linked with the narcotic dives in the Tientsin Japanese Concession. It is generally believed in the northern port that the bodies found floating in the river probably were only a small percentage of those which had been disposed of in that manner as the Hai Ho is a muddy stream making the detection of bodies difficult.

♣

About the middle of May, the police authorities of the Japanese Concession suddenly began handing over to the authorities of the Chinese Municipality, large numbers of Chinese (boys and men ranging from 20 to 40 years) whom the Japanese designated as "beggars." The number handed over ranged from 100 to 200 daily and totaled some 3,000 to the first of the present month. A brief report in the *Peking and Tientsin Times* (British) referred to "no fewer than 1,013 beggars having been rounded up by the Japanese consular police in the past ten days, an average of some 200 a day, and handed over to the Chinese authorities." As the Japanese had never taken such action previously it was reported that it was done in retaliation for reports widely published in the Chinese newspapers referring to the corpse mystery with allegations that the corpses had ben collected in heroin and opium joints in the area under Japanese jurisdiction.

It was claimed that most of these so-called beggars were narcotic addicts, but a visit to one of the concentration camps where some 1,600, including some 100 boys, were being detained, did not produce conclusive evidence. That many were dope addicts was indicated by their reactions when questioned on the subject. When the subject of drugs was mentioned, some of the men would immediately pull up their sleeves to show they had no scars from hypodermic injections; thereby indicating their familiarity with one method of administering the drug. But a likelier explanation was that these so-called beggars included not only addicts from the Japanese narcotic dens, but also employees of Japanese heroin factories who had been let out due to a falling off in sales or some other reason, possibly sickness of the coolies from handling of chemicals used in heroin manufacture. The recent disclosures pertaining to the drug situation at Tientsin, made in connection with the opium discussions at Geneva under the auspices of the Opium Advisory Commission of the League of Nations, indicated that more than 10,000 persons are employed in Japanese heroin manufacturing plants in Tientsin, and in the area embraced by the East Hopei "Government." That the same explanation might be applied in solution of the mystery pertaining to the large numbers of bodies found floating in the Hai Ho also seemed logical.

♣

That the disposal of bodies of destitute dope addicts constitutes a recognized profession in the Japanese concession at Tientsin was proved not only by confessions to the Chinese police but by visits to the section of the Concession where narcotics are dispensed and where heroin dispensing and smoking dens constitute practically the sole business. In explanation of conditions prevailing at Tientsin, it should be stated that this city is a chief concentration point for large numbers of Chinese laborers bound for interior points or for Manchuria or who are attracted by the industrial establishments of the city. This means that thousands of laborers come to Tientsin from other points, Shantung, Hopei, Honan, Yellow River valley—which constitutes a logical explanation of the circumstance that most of the bodies found in the Hai Ho were unclaimed by their families. Another explanation of the failure of relatives to appear was fear of being charged with participation in the narcotic traffic, now a capital offense. That Tientsin has a large population of homeless Chinese of the laboring class is obvious and it is equally obvious that operators of the narcotic joints in the Japanese concession prey on these people, taking the last copper of their worldly possessions and then disposing of the bodies of the victims by utilizing the services of professional "body-dumpers" who loaf around in the alleyways awaiting the call of the proprietor of some joint to remove the body of a victim. That the victim is not always dead does not worry the proprietor, or the "body-dumper" who operates on a piece-work basis.

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So much has appeared (see reports elsewhere in this issue) in the form of official reports at Geneva and elsewhere regarding conditions in the Japanese Concession at Tientsin that repetition here is unnecessary, but no description can adequately portray actual conditions. While Chinese dealers in opium and narcotics and hopeless addicts are being executed by the Chinese authorities in the adjoining Chinese administered areas, in a desperate effort to eradicate the narcotic evil, quite opposite conditions prevail within the Japanese Concession which is densely packed with Chinese humanity. According to a report published at Nanking, based upon an investigation by a neutral inspector, the number of heroin selling and smoking establishments in the Japanese Concession was estimated to be in excess of 400. The report at Geneva stated the number exceeded

1,000. No effort is made to conceal the nature of the shops as most of them bear sign-boards with Chinese characters designating "Yang Hang" meaning literally "foreign business." On such streets as Hashidate, Hanazono, Kotobuki, Komai, and others these sign-boards predominate. But a knowledge of the Chinese or Japanese language is unnecessary as a horde of "runners" or solicitors crowd about visitors and solicit their patronage of particular shops employing the runners. When the writer of these paragraphs visited the district, early in June following the Geneva disclosures, the proprietors of the "Yang Hangs" chiefly Koreans, at first were suspicious but it was not long before a horde of solicitors appeared on the scene and conducted members of the party to places where parcels of heroin were dispensed at from 30 cents to $1 a parcel. Practically all shops have upstairs rooms where the drug may be consumed "on the premises," and the writer was assured that occidental customers were frequent, along with Chinese, who make up the bulk of the users.

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Of most interest to the casual visitor in the Japanese Concession is the open display of opium-smoking paraphernalia on stands set up along the sidewalks, in shop windows and even in the numerous shops where curios or ancient objects of art are sold. In one curio shop practically all of the objects on display were concerned with the smoking of opium, or the preparation of the drug for consumption in some form or other. Whereas heroin is chiefly and more conveniently smoked by inserting the "white powder" in the end of a cigarette, the smoking of opium requires much equipment and usually the help of an assistant, often a little boy or girl, who rolls and cooks the drug over a fire and then inserts it in the bowl of the pipe at the proper time to produce the proper effect. As several places located on Asahi Road, chief street of the Japanese concession, opium smoking establishments are so common and open that chauffeurs employed by the hotels and garages conduct tourists on sight-seeing expeditions for the ordinary taxicab fee of $3 an hour. In one place, so near the street that the fumes of the burning drug could be detected for a considerable distance, the writer was conducted through more than a dozen rooms, each containing from ten to fifteen smokers, lying on divans, most of the smokers being young men not over 25 or 30 years of age and in some cases one member of the "pairs," (smokers always lie in pairs facing each other) was a young woman smoker. None of them appeared to take any interest in, or resent in any manner the visit of foreigners. The price of a smoke in this particular establishment ranged from $1 upward. In other places in the neighborhood, known as the "sing-song" section the price of a pipe—"with a girl" was $5. Aside from the exhibition of human debauchery the most deplorable phase of the business was the employment of large numbers of children, little boys and girls not over ten or twelve years of age as helpers in preparing the drug for smoking purposes. At one place the writer observed a little Chinese girl, obviously not over eight years, lying on a bench preparing opium for an elderly man. That these children become addicts at an early age is obvious.

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That the Chinese authorities have finally decided to use capital punishment in a desperate effort to eradicate the narcotic traffic, although revolting to most occidentals, appears excusable in the light of conditions prevailing in Tientsin. But an inspection of conditions within the Japanese Concession and a knowledge of conditions in Manchukuo and East Hopei where the areas devoted to poppy production have been expanded 17 percent with increased revenues amounting to 28 percent accruing to Japanese promoters, indicates the futility of Chinese efforts to prevent their own people from engaging in the business. The Chinese have no authority to interfere in the Japanese Concession and when they arrest Japanese and Korean pedlars of drugs and turn them over to the Japanese consular authorities the culprits are given light jail sentences and then released to ply their trade anew. Recent reports have indicated that the narcotic traffic, especially heroin, is beginning to "back-fire" on the Japanese, meaning that the Nipponese themselves, once considered immune to drug addiction, are themselves beginning to take on the habit. Perhaps this is the form of retribution which will ultimately compel the Japanese to take steps to eliminate the traffic. However, it has been stated that the Japanese military authorities are chiefly responsible for encouraging the organization of opium and narcotics monopolies in conquered territories on the continent, their motives being two fold: official drug monopolies are quick and certain revenue producers, and the widespread use of narcotics among subject peoples make colonial administration easier through reduced resistance and lowered vitality of the governed.

Japanese Bankers Agree That Proceeds of Old Loans in China Should Be Reinvested

A group of Japanese bankers in conference at the Tokyo Foreign Office May 26 agreed in principle that payments on old loans to China should be reinvested in enterprises contributing to China's public good and Sino-Japanese economic co-operation and friendship.

With that assurance from the bankers, the Government is expected to propose to China conclusion of new loans on the basis of the old ones, the *Chugai* reported. The conference was called by the Foreign Office and the Finance Ministry for presentation of a plain of reinvestment in China, based on the steady payment of principal and interest on the old loans. Chief among the debts to be readjusted are those known as Nishihara loans.

The bankers said they have many other suitable investments, but expressed willingness to support the Government plan, the paper added.

Conferees were Itaro Ishii, new director of the East Asia bureau; Chuzo Sekibara, director of the financial affairs bureau; other Government officials and representatives of the Industrial

Bank, Bank of Taiwan, Bank of Chosen, Daiichi Bank and Sumitomo Bank.

Kojiro Irai, commercial secretary of the Japanese Embassy in China, arrived in Nagasaki recently from Shanghai on his way to Tokio to report on the most recent economic and financial developments of China. He made the following observation on the Chinese situation, according to *Domei*:

"Since the recent visit of Japan's economic mission to China, headed by Kenji Kodama and consisting of leading Japanese businessmen, a bright atmosphere has prevailed over the business world of that country toward Japan. Chinese leaders are studying measures to realize Sino-Japanese economic co-operation. This means that the mission has achieved its objective.

"Chinese business leaders are hoping Japan will assist China financially and technically. Therefore it will be necessary for Japan to make positive efforts. The loan proposal should not be a mere gesture. Financial and technical help should be given on a large scale. The Chinese are not necessarily hoping that Japan will help singly. They will also welcome such help if it is given in concert with Great Britain, the United States, Germany or other Powers.

"No boycott against Japanese merchandise is observed in China at present. It is noteworthy that China is trying to manufacture goods not inferior to Japanese goods, thereby realizing China's self-sufficiency.

"The British economic penetration into South China is true, but it is not so serious as is reported by newspapers. The Hopei-Chahar regime is beginning to incline to the Nanking Government. This has been caused by a change of Japan's policy toward China. I do not know the situation more than that."

The *Tokyo Asahi* in noting that Hisayoshi Munakata, director of the Government bond bureau, of the Bank of Japan, had made a close inspection of economic conditions in China, exchanging opinions with Nanking's Railway Minister Chang Kai-ngau, Industry Minister Wu Ting-chang and other Government leaders last month, said that this was the first time said bank had ever sent a special envoy to China for economic investigation.

U.S. Far Ahead of All Other Countries in Trade With China

Far in the lead in trade with China stands the United States which, between January and April of 1937 sold goods valued at $76,131,000 to China and bought a total of $103,095,000 from China, according to the "Monthly Returns of the Foreign Trade of China" for April of this year.

Second among the powers stands Japan, exporting to China goods valued at $70,423,000 and importing from China $44,968,000. Germany comes next with $55,390,000 in exports to China and $26,004,000 imported from China.

Great Britain exported $45,191,000 of goods to China and imported $20,934,000, although the import figures are greatly augmented if one considers that Hongkong imported $44,913,000 from China during the same period. The following is a table showing the six leading countries in the value of goods exported and imported by China:

China's	*Jan.-April 1936*	*Jan.-Apr. 1937*
Imports from:		
U.S. of A.	$52,481,000	$76,131,000
Japan	47,100,000	70,423,000
Germany	49,248,000	55,390,000
Great Britain	35,861,000	45,191,000
Netherlands India ...	21,808,000	37,259,000
Belgium	6,380,000	10,127,000
Exports to:		
U.S. of A.	$69,712,000	$103,095,000
Japan	29,557,000	44,968,000
Hongkong	31,283,000	44,913,000
Germany	14,415,000	26,004,000
Great Britain	14,035,000	20,934,000
France	7,276,000	10,842,000

Annual Customs Report Shows Huge Increase of Export Through Shanghai

Although imports decreased last year, a substantial increase in the exports of China that pass through the port of Shanghai is revealed in "Shanghai Annual Returns of Foreign Trade, 1936," compiled by the Statistical Secretary of the Inspectorate General of Customs and published last week.

Wood oil exports increased from $35,895,726 in 1935 to $67,796,907 in 1936, showing a startling rise in consumption. France, Germany, Great Britain, Japan, the Netherlands, Australia and Belgium nearly doubled their use of this oil, while the United States bought $28,051,106 in 1935, but in 1936 the U. S. bought $51,944,239. Italy was the only one of the principal users of wood oil whose consumption dropped off during last year.

Exports of raw white steam filature silk, passing through the port of Shanghai, reached $20,945,858 in 1936 as against $20,149,325 for the year before. Exports of waste silk amounted to $4,348,064 for last year and $2,846,189 for 1935. The United States remains the best customer of China in the silk trade, followed by France and Great Britain.

The samshu (distilled rice liquor) trade showed slight increases, the chief customers still being Hongkong and Japan, as did the tea trade, although certain varieties of tea suffered losses.

Exports of tungsten (wolfram ore) made a jump last year as compared to the preceding year, being valued at $6,048,458 in 1936 as compared to $3,659,788 in 1935. France, Germany, Great Britain, Sweden and the United States all increased their purchases of this ore last year, while Belgium, Hongkong and the Netherlands decreased their consumption.

Executive Yuan Issues Order Urging Development of Agriculture

With the movement for national economic reconstruction now being pushed, the Executive Yuan has issued an order to the various Provincial and Municipal Governments enjoining that active steps be taken for the development of agriculture, which the movement stresses.

This action is taken on the recommendation of the Central Agricultural Promotion Commission which, in a petition submitted through the Ministries of Interior, Education and Industry, stated that although seven years have elapsed since the Central authorities issued regulations for the promotion of agriculture, little progress has been made for various reasons. The Commission emphasized the necessity for the enforcement of the following points for the future if results are to be obtained:—

1.—The various District authorities should only deal with the promotion of agriculture. Agricultural research should be left to the experimental organs of the Central and Provincial Governments.

2.—Though the amount of reconstruction funds for each of the various districts is not the same, the aggregate is however substantial. Due to defects in the apportionment of the funds, the promotion of the more urgent projects is often confused with the enforcement of the less important. In view of the importance of agricultural development, which is the sole means of increasing productivity, the funds should be increased as far as possible, so as to facilitate the people's economic reconstruction.

3.—While adequate funds for promotion of agricultural enterprises are available in many districts, in others, however, the funds are often reduced or diverted by the local authorities for other purposes, with the result that the work of developing agriculture has often to be suspended. Henceforth, funds for agricultural development should not be used for any other purpose.

4.—The Outline of Measures for the readjustment of agricultural organs in the various provinces and districts promulgated by the Executive Yuan in June, 1933, provides the minimum program of agricultural readjustment. However, as these measures have not yet been entirely enforced in the various provinces, the Provincial Governments should be instructed to fully enforce these Measures without further delay.

Shanghai Silk Men Plan $4,000,000 Rayon Plant

A special committee to proceed with plans for the establishment of a $4,000,000 factory for the manufacture of rayon was organized at a meeting of leaders of silk industry from various centers of Kiangsu and Chekiang held in Shanghai June 5.

This marked the first serious attempt on the part of Chinese silk dealers in Kiangsu and Chekiang towards the objective of self-sufficiency. The total of artificial silk imported to China from foreign lands, it was reported at the meeting, amounts to more than 1,000,000 cases annually.

Steel and Iron Committee Appointed for Proposed National Steel Factory

The Executive Yuan June 8 appointed a supervisory committee for the projected National Steel and Iron Factory. The five members of the committee include the chairman, Wu Ting-chang, Minister of Industry, Tseng Yang-fu, Mayor of Canton, Dr. Wong Wen-ho, Secretary-General of the Executive Yuan, and Messrs. Yui Ta-wei and Ho Lien.

Hupeh to Build Large Textile Mills at Cost of Seven Million Dollars

Plans for the erection of two huge textile mills in the northern and western parts of Hupeh province, at a total cost of $7,000,000, have been drafted by the Provincial Government. Of the total investment, four-fifths, it was reported, would be contributed by the Central Bank of China, while the remainder will be paid by the Provincial Government.

China Cotton Corporation to Increase Capital to $10,000,000

The capital of the China Cotton Trading Corporation Ltd. (*Chung-Kuo Mien-Yeh Mao-I Ku-Fen Yu-Hsien Kung-Ssu*), which stood at $2,000,000 last year, is to be increased to $10,000,000 divided into 10,000 shares of $1,000 each. The Corporation is to be known henceforth as the ChinaCotton Corporation, Ltd.

Liu Lu-ying Sentenced to Ten Years' Imprisonment; Gen. Chiang Summons Educators' Conference

HIGH LIGHTS IN THE EVENTS OF THE WEEK:

1. **Former Publicity Director Convicted of Instigating Murder of Late Hupeh Chairman.**
2. **Gen. Yang Hu-cheng Appointed Special Investigator of Military Affairs Abroad.**
3. **Reorganization of Ex-Tungpei Troops to Be Completed Before End of June.**
4. **Gen. Chiang and Wang Ching-wei to Summon Conference of Educators at Kuling.**
5. **Dr. Kung Honored in France, French Banks to Finance China's Railway Development.**
6. **Hirota Says His "Three-Point" Program Now Impracticable, Pays Tribute to Chiang.**
7. **China's Foreign Policy Unchanged Despite Cabinet Change in Japan, Says Wang.**
8. **Suspension of Tientsin-Tokyo Air Service Ordered, Gen. Sung Returning to Peiping Soon.**
9. **Waichiaopu to Take Up Case of Ronin Assault on Policemen.**
10. **War Minister Ho Ying-chin to Go to Szechwan to Supervise Troop Reorganization.**

A verdict of guilty and a sentence of 10 years' imprisonment, as well as deprivation of his civil rights for five years, were passed June 5 by the Wuchang District Court on Liu Lu-yin, former chairman of the Central Publicity Council, on a charge of having been implicated in the assassination of General Yang Yung-tai, former chairman of the Hupeh provincial government, and plots on the lives of other Government officials, according to a *Reuter* report from Hankow June 6. Among the other accused in the trial of Mr. Liu, two were sentenced to death and one to life imprisonment. The two are Cheng Hsi-chao and Kung Po-chow. Tsao Ping-jung was given the life sentence. In addition to the sentences imposed on the accused, they are also required to pay $20,000 compensation to the family of General Yang Yung-tai. Mr. Liu was arrested by the Shanghai Municipal police at the request of Chinese authorities, in the International Settlement during the early morning of Feb. 24. He later appeared before the Chinese Court where an application for his extradition was made in behalf of General Yang Hu, the Shanghai and Woosung garrison commander. His extradition was subsequently granted. On March 4 Mr. Liu, accompanied by relatives and friends and guarded by Chinese police officers, was taken to Hankow where, on May 15, his trial was opened in the Wuchang First District Court. In the 7,000-word indictment Mr. Liu was charged with having: Instigated the assassination of General Yang Yung-tai, Chairman of Hupeh, last year; Engineered a plot to assassinate, among others, General Chiang Kai-shek, the Premier; General Chang Chun, former Foreign Minister; General Chiang Tso-pin, Minister of the Interior; and General Yu Fei-peng, Minister of Communications; and Committed various offences against public peace and order.

Liu Lu-yin

Both Liu Lu-ying and the family of the late Gen. Yang Yung-tai have served notices of their dissatisfaction at the sentence of ten-year imprisonment passed on Mr. Liu. While Mr. Liu has decided to appeal to the Provincial High Court, Gen. Yang's family also objected to the sentence on the ground that it was too light.

YANG HU-CHENG APPOINTED SPECIAL INVESTIGATOR OF MILITARY AFFAIRS ABROAD

Gen. Yang Hu-cheng, retired Pacification Commissioner for Shensi, who interviewed last week Generalissimo Chiang Kai-shek at Kuling, has just been delegated by the Central Government to investigate military affairs in Europe and America, according to a *Central News* report. Gen. Yang will be invested with the title of special military investigator. Gen. Yang, who flew to Kuling on June 4 together with Madame Chiang Kai-shek, T. V. Soong and Gen. Teng Pao-shan, commander of the First Army, had an important interview with Gen. Chiang Kai-shek shortly upon his arrival. He also bade farewell to the Generalissimo. During the interview, Gen. Chiang Kai-shek had instructed Gen. Yang to devote equal attention to military developments and political and social conditions in the various countries which he is to visit. Gen. Yang flew back to Shanghai from Kuling on June 7 to make preparations for his trip abroad. He will sail on June 29 aboard s.s. *President Hoover* for the United States enroute to Europe. Gen. Yang, who may or may not visit the U.S.S.R., will be away from China for one yaer.

REORGANIZATION OF EX-TUNGPEI TROOPS TO BE COMPLETED END OF JUNE

Reorganization of the ex-Tungpei armed units will be completed by the end of June and their pay will be borne by the Central Government beginning from July, according to Lieut.-Gen. Ho Chu-kuo, who arrived at Sian June 7 to assume his new post as Deputy Director of the Generalissimo's Sian Provisional Headquarters.

General Yu Hsueh-chung, Pacification Commissioner for Kiangsu, who arrived at Shanghai from Chengchow by airplane June 6 will remain here until after he has been T. V. Soong, member of the Standing Committee of the National Economic Council, who is expected to return here from Kuling shortly. Gen. Yu will shortly proceed to Tsingkiangpu in northern Kiangsu to assume his new post.

A part of the ex-Northeastern army, the 53rd Army under command of Gen. Wan Fu-lin, stationed in Paoting, is now under reorganization in accordance with decisions made at the Kaifeng Conference of the Military Affairs Rehabilitation Commission for Kiangsu, Honan and Anhwei, according to a *Central News* report. In conformity with the system of the National Army, the 53rd Army will be reorganized into two divisions, each division composed of two brigades, and each brigade two regiments. In addition there will be a special service regiment. It is learned that Gen. Wan Fu-lin himself will retain command of the reorganized army.

The Kansu Provincial Government has ordered the exemption of $1,500,000 of land tax in arrears. Another order prohibiting the exaction of money from the people by civil and military authorities has also been issued by the provincial administration, says *Central News*.

JAPANESE PRESS REPORTS CHU TEH WAS HOUSE GUEST OF GEN. CHIANG IN SHANGHAI

Chu Teh, chairman of the military affairs commission of the Chinese Soviet Government, was recently a house guest at the home of Gen. Chiang Kai-shek in Shanghai, Japanese press reported June 5. He stayed from May 26 to 29 when he flew back to Sian. During his visit, *Domei* said, he conferred at length with Mme. Chiang regarding the implementing of the basic accord reached earlier this year for co-operation between Nanking and the Reds. Simultaneously, the *Shanghai Nippo* said June 4 that an attempt on the life of Chou En-lai, high Communist official, had been made in Sian recently by gunmen belonging to the C.C. Society, Fascist organization. Two bodyguards of the Red leader were killed in the abortive attack, the paper addded.

The time-limit for the complete eradication of the remnant outlaws in the various provinces—originally fixed by General Chiang Kai-shek for May 31—is extended another month by the Generalissimo, in a circular order to the Provincial authorities. A message of commendation has been issued by General Chiang to General Liu Hsing, Pacification Commissioner for the Hunan-Hupeh-Kiangsi Border, praising him for his fine work in "mopping up" the remnant bandits last month.

CHIANG AND WANG TO SUMMON CONFERENCE OF EDUCATORS AT KULING

The readjustment of military affairs in this country having now been completed, the present is the time for the entire nation to participate in the concerted effort for national reconstruction. This statement was made by General Chiang Kai-shek, President of the Military Affairs Commission, in a press interview, according to a *Kuo Min* report. General Chiang has completely recovered his health and has cancelled his sick leave. The future of the State, he said, is in our own hands. The country is just like an individual. who will be immune from disease if he strengthens his body. The Government is paying especial attention to economic rehabilitation and education of the people, General Chiang indicated. With reference to the economic problem, General Chiang intimated in the course of the convensation that the people's economic reconstruction is the root of national reconstruction. For this purpose, the talent of the nation must be concentrated, comprehensive plans drawn up and the administrative machinery regulated in order to produce greater efficiency. With regard to the promotion

of education, General Chiang was of opinion that, at the present juncture when the nation has just entered an era of peace and reconstruction, the educational policy and programme of the State must undergo a thorough examination. He hoped that the entire nation will rally behind the Government in the accomplishment of its various tasks and that the intelligentsia especially will render wholehearted cooperation.

Mobilization of intellectual forces in China to accelerate national reconstruction is being planned by Gen. Chiang Kai-shek and Wang Ching-wei. The Generalissimo and Mr. Wang will summon all learned university professors from all parts of China to a collective interview in Kuling during the summer vacation, according to a correspondent of the *Ta Kung Pao*, who returned to Nanking last week after having interviewed the Generalissimo in the summer resort in Kiangsi. Gen. Chiang, the correspondent said in a dispatch to his Shanghai and Tientsin papers, is now devoting his time to working out a more fundamental program for national rebuilding, particularly in the phases of economics and education. Referring to economic reconstruction, the Generalissimo told the correspondent that the people's economic reconstruction should form the basic formula, but the machinery for its realization must be manned by all available talent throughout the country, in order to increase its efficiency. In order that the program may be effectively carried to a successful conclusion, the Generalissimo was reported to have expressed the hope that all specialists, experts, and intellectuals in the country closely cooperate with the National Government.

Plans for a collective interview in Kuling to be given by Gen. Chiang Kai-shek and Wang Ching-wei to university professors from all parts of China have assumed a more concrete form, according to a *Ta Kung Pao* report June 8. The period of the conversations, the report says, will be one month, from July 15 to August 15. In view of the fact that a large number of professors are expected to be present, the interviewers will be received by the Generalissimo and Mr. Wang in three groups of about 100 persons each. The conversations, the journal further states, will place special emphasis on the political, economic and educational problems in the country.

CHINESE VERSION OF CHIANG SIAN DIARY PUBLISHED

Following closely the publication of Gen. Chiang Kai-shek's "A Fortnight in Sian: Extracts from A Diary," and Madame Chiang's "Sian: A Coup d'Etat" in English, the Chinese version of this historical event has been placed on the market in Nanking by the Cheng Chung Publishing Company. The Chinese edition is sold at only 30 cents a copy in order that a large number of people can avail themselves of this valuable records of what actually happened during the crisis last December. The Cheng Chung Publishing Company has been granted a copyright of this book for a period of three years while a similar privilege has been given to the publishers of the English edition.

DR. H. H. KUNG HONORED IN FRANCE, DECORATED BY PRESIDENT LEBRUN

Dr. H. H. Kung, Chinese Vice-President of the Executive Yuan and Minister of Finance, arrived in Paris from Italy by train at 9.30 a.m. June 1, accompanied by Admiral Chen Shao-kwan, Chinese Minister of Navy and other members of his party. Among those who welcomed him and his party were the representatives of Premier Leon Blum, Foreign Minister Yvonne Delbos, Finance Minister Vincent-Auriol, and the Air and Navy ministers. Also at the station were Dr. V. K. Wellington Koo, Chinese Ambassador in Paris. Dr. Kung, accompanied by Dr. Koo, called on M. Delbos at 11 a.m. the same day. At noon, the Chinese Finance Minister and Admiral Chen were entertained at luncheon by Dr. Koo in the new Chinese Embassy. Present at this function were a large number prominent French officials, including Premier Blum, Madame Blum, the Navy Minister and a number of others. Among other guests at the party were Dr. Wong Wen-hao, Wunz King, Chinese Minister to Holland, and Dr. C. Kuangson Young, Secretary of the Chinese Coronation Mission.

The Grand Cross of the Legion of Honor with Cordon, the highest honor of France, was conferred upon Dr. H. H. Kung by President Albert Lebrun at an audience June 1. Admiral Chen Shao-kwan was also decorated.

A dinner was given June 3 by French Finance Minister, M. Vincent-Auriol at the Ministry of Finance honoring Dr. H. H. Kung. M. Vincent-Auriol spoke on the progress of China since the establishment of financial stability resulting from Dr. Kung's introduction of scientific methods and his courageous determination. He expressed the belief that co-operation between China and France will grow. Dr. Kung replied in Chinese, his talk being aptly interpreted by Dr. Wong Wen-hao, Secretary-General of the Executive Yuan. Dr. Kung said that he was visiting France for a two-fold purpose of meeting the French leaders as well as to study the economic and industrial progress. China is undergoing its most important stage of reconstruction, he said, and he is therefore desirous of obtaining first-hand information of conditions in France. After thanking the French Government officials for their cordial reception, Dr. Kung stressed the common democratic ideals of China and France and France's leadership of democratic governments. Dr. Kung also referred to the assistance given to Dr. Sun Yat-sen, father of the Chinese Republic, by the well-known French statesman, now a cabinet minister, during Dr. Sun's initial revolutionary period. He expressed the view that the mutual sympathy toward the democratic ideals should bring closer co-operation between China and France, "not only sincere co-operation but also substantial co-operation."

An unprecedented and the most impressive air review ever accorded any Chinese statesman abroad took place in the morning of June 3 at Le Bourget when Dr. H. H. Kung and his party reviewed 60 bombers and pursuit planes. Dr. Kung, Admiral Chen Shao-kwan, and Dr. V. K. Wellington Koo, Chinese Ambassador to France, were accompanied by Lieut. General Ying H. Wen, Lieut. Col. C. F. Wang, Commander Y. T. Chow, and Dr. C. Kuangson Young. The party was greeted by General Berger, commanding the second aerial region of France, representing Air Minister Pierre Cot. General Aube, Chief of Staff of the Air Force, and other high air officials. Upon the arrival of Dr. Kung and his party, the guard of honor of 200 men saluted and the band struck up the Chinese and French national anthems. The Chinese and French flags flew over the buildings at the airfield. After the review, Dr. Kung and the party inspected the hangars and the photography department. A champagne reception followed and a luncheon with 30 air force officials and other guests present. General Berger acted as chairman, representing Air Minister Pierre Cot. Dr. Kung's descent from the Chinese sage, Confucius, was brought out in the speech which General Berger made after the meal. He spoke of China's ancient civilization and said that the Chinese Minister of Finance was universally admired as an example of this age-old culture. He was, moreover, respected, he said, because of his contribution to the financial and political stabilization of the Chinese government. "There are three democratic republics: France, the United States, and China," he said, "and as one of them, France congratulates China and Dr. Kung." "We are with you in your task of nation building," he declared. "We have shown you our air force which is not for attack but for self-defense." Dr. Kung replied in a Chinese speech, which was translated into French by a secretary of the Chinese Embassy in Paris. Dr. Kung sincerely expressed his thanks on behalf of the Chinese Government and people for the cordial reception and the unusual honor of reviewing the national defense. Outstanding similiarities between China and France, he declared, are that both nations are democracies and love peace. The French trilogy, liberty, fraternity and equality, and the Chinese "San Min Chu I" "(Three Principles of the People") also have a common meaning, he said. Therefore, the two countries should co-operate more closely for mutual as well as general benefit.

FOUR LEADING FRENCH BANKS TO FINANCE CHINA'S RAILWAY DEVELOPMENT

Interesting revelations of a broad scheme for economic co-operation between French financial circles and China were revealed June 4 during a luncheon given for Dr. H. H. Kung by representatives of four leading French banks. These banks have constituted a syndicate called "Groupe Uni des Banques Francaises pour la Chine" (United Group of French Banks for China). The participants are, Banque de Paris et des Pays-Bas, Lazard Freres (affiliated to Lazard Bros.), Banque de l'Indo-Chine, Banque Franco-Chinoise Pour le Commerce et l'Industrie. Two of the largest banking houses in France and the world have thus joined with the two biggest French banks whose acitvity is devoted to the Far East, to help with the financial and economic development of China. The Banque Franco-Chinoise represents the group in China. The group has already signed a contract for the construction of a railway connecting Chungking and Chengtu, and negotiations are nearly completed for the signature of another contract providing for the construction of a railway between Kweiyang and Kunming. When these two railroads are completed, the rich province of Szechwan will be linked by rail with Haiphong, the main harbor of Tongking. The group is also contemplating the promotion of other industrial undertakings, such as sugar factories, weaving mills, and machine-shops. Such schemes are studied presently. M. Le Gallen, Chairman of the Banque Franco-Chinoise, who presided at the reception, expressed his satisfaction at the presence of the distinguished Chinese minister. Recalling that the aim of the new financial group is to facilitate the preparation and conclusion of financial accords, he emphasized the efficacy resulting from the common effort of the four banks composing it. Agreements already concluded with China and the China Finance Development Corporation illustrate, he added, the will of both peoples to co-operate; agreements which are of such a flexible nature that they do not encroach on anybody's freedom of action. The speaker said a tribute to Generalissimo Chiang Kai-shek, to whom China owes political stability and a rapidly progressing unity, and to Dr. H. H. Kung. "You are responsible for the financial stability which now prevails in your country," he said. "No time could be more favorable for the development of your economic policy and for the realization of your program for the industrial reorganization of your great country.

Dr. Kung in reply said that relations between the two countries were particularly cordial had been testified by the very warm reception he had received from so many leaders in the French Government. He was impressed by the interest shown by French

financiers in Sino-French economic co-operation. After having recalled the great progree China has made toward reconstruction in recent years, Dr. Kung said: "China is now carrying out a new programme of reconstruction and the development of her vast natural resources not only to benefit the Chinese, but to benefit the entire world.

"Under the leadership of General Chiang Kai-shek, the Chinese Government is carrying out this programme as speedily as possible. In accordance with the principles of Sun Yat-sen, China welcomes foreign co-operation in the development of her resources. She appreciates the assistance of France in her gigantic task. This co-operation will benefit not only China and France, it will do much for world peace."

Kung Ling-kai and Vice-Minister of Finance Hsu Kan had a radio-telephonic conversation for three quarters of an hour in the evening of June 4 with Dr. H. H. Kung in Paris. During the conversation, important affairs of the Ministry were discussed, according to *Central News*. Dr. Kung expressed satisfaction when he was informed that for the month of May the Customs receipts amounted to $14,000,000, the salt receipts reached $10,000,000 and the receipts from the consolidated tax $9,500,000, making a total collection of $33,500,000, which was a great improvement over the collection for the preceding month. Other matters discussed by Messrs. Kung and Hsu across two continents related to measures for famine relief in Szechwan, Kweichow and other drought-stricken provinces, and political as well as financial conditions in China.

HSIAO CHEN-YING IN PARIS

Gen. Hsiao Chen-ying, former Mayor of Tientsin and member of the Hopei-Chahar Political Council, arrived in Paris from Rome on June 1, according to a wire received at Peiping. Gen. Hsiao who left China in April is on an inspection tour in Europe.

HIROTA SAYS HIS THREE-POINT PROGRAM NOT PRACTICABLE NOW

Miyako Shimbun published June 5 Koki Hirota's exclusive interview in which the new Japanese Foreign Minister stated that his diplomatic ideal remained to be "peace and harmony with all other nations. Mr. Hirota, while touching on Sino-Japanese relations, asserted that the three principles he advanced for the improvement of the intercourse between the two countries were a mere abstract expression and not practicable now, as Sino-Japanese relations have advanced from the period of endeavor to an epoch when concrete questions should be solved. The solution of these concrete questions, in the opinion of the new Foreign Minister, should absolutely exclude the intervention of any third party and should be handled by the two countries concerned.

Mr. Hirota received June 7 members of the diplomatic corps in Tokyo for the first time since his assumption of the foreign portfolio in the Konoye Cabinet, according to a *Central News* report. During his conversation with Yang Yun-chu, Chinese Charge d'Affaires, Mr. Hirota first thanked the Chinese Government for the congratualtory message sent by Dr. Wang Chung-hui, Minister of Foreign Affairs. The Foreign Minister recalled his very pleasant meeting with Dr. Wang Chung-hui one and half years ago, and said his respect and admiration for the internationally known Chinese jurist had increased with the years. During his former tenure as head of the Japanese Gaimusho, Mr. Hirota told Mr. Yang, he had determined to improve Sino-Japanese relations. Unfortunately, he had to quit his post before his objects were accomplished. This same determination, Mr. Hirota said, he still harboured now. He believed not only questions pending and those arising from time to time should be quickly solved, but relations between the two countries should positively be improved from a broad point of view. Mr. Hirota in his conversations paid particular tribute to the diplomatic wisdom of Generalissimo Chiang Kai-shek, President of the Executive Yuan, and Gen. Chang Chun, former Minister of Foreign Affairs, and their conscientious efforts at improving Sino-Japanese relations.

Regardless whether Gen. S. Hayashi will be succeeded by Prince F. Konoye or any other statesman as premier of the Japanese Government, China will continue to adhere to her principle of self-reliance and self-salvation, declared the official *Central Daily News* June 2 when commenting on the resignation of the Hayashi cabinet. As far as future Sino-Japanese relations are concerned, the journal averred, Chinese welcome any Japanese cabinet which understands her stand and which works with her for diplomatic rapprochement under the principle of non-infringement of her political sovereignty and territorial integrity.

The echo for a new concept of China and repeated declarations on Sino-Japanese relations during the Hayashi regime have left with the Chinese people favorable recollection. The journal expressed the hope that the new Japanese cabinet will continue the China policy of the Hayashi Government and will work for closer Sino-Japanese friendship.

High hopes were entertained by the *Morning News* in Nanking in Prince Konoye as the premier, who, according to the daily, has more enlightened views on China than others. It wished that he will be able to handle Sino-Japanese problems with conviction.

Tracing the causes behind Japan's cabinet crisis, the *New Capital Daily* said, it was primarily due to the ex-premier's open support to Lieut.-Gen. Y. Yatekawa and Col. J. Kobavashi in forming the Fascist Party. This incurred the disfavor of Japanese people and aroused the apprehension of the ruling class.

CHINA'S FOREIGN POLICY REMAINS UNCHANGED, SAYS WANG CHING-WEI

China's foreign policy vis-a-vis Japan will not be altered by the cabinet changes in Japan but will continue to be guided by the resolutions adopted by the 3rd Plenary Session of the Central Executive Committee on Feb. 15. This statement was made by Mr. Wang in a press interview at Hangchow June 4, according to a *Kuo Min* report. National salvation and preservation of the national existence being the settled national policy, the Central Government has already made decisions in this regard, Mr. Wang declared. "It is our hope that the new Japanese premier, Prince Konoye, will have a sound understanding of China and contribute to the consolidation of the foundations of peace in the Far East." With reference to the rumours in North China, Mr. Wang said that the Government is taking appropriate steps to deal with the situation. As to the Szechwan situation, Mr. Wang said that all questions will be solved when the instructions given by General Chiang Kai-shek, President of the Military Affairs Commission, to General Liu Hsiang, Chairman of the Szechwan, are faithfully carried out. A loan is being issued for the relief of the Szechwan drought refugees, while other comprehensive measures of relief are also being drawn up. Mr. Wang returned to Nanking from Hangchow by air June 7. During his brief visit in Hangchow, Mr. Wang addressed the officials of the Chekiang Provincial Government at the invitation of Chairman Chu Chia-hua. He also addressed the students of the various schools in the lake city.

Wang Ching-wei

HSU SHIH-YING TO RETURN TO JAPAN END OF JUNE

Hsu Shih-ying, Chinese Ambassador to Japan, who is now on home leave, will return to his post in Japan at the end of this month, *Central News Agency* reports. Two of the members of the Chinese Embassy at Tokyo, Yang Pan-nung and Chang Ching-wu, have already left for Japan board the s.s. *President Coolidge*.

NANKING ORDERS SUSPENSION OF TIENTSIN-TOKYO AIR SERVICE

The Central Government has telegraphically ordered the suspension of the Tientsin-Tokyo through air service, inaugurated June 1 under the auspices of the Hui Tung Aviation Corporation, according to a *Central News Agency* report. Suspension of the service, it was learned, has been ordered on the ground that the Hui Tung Aviation Corporation, a joint Sino-Japanese concern, has not been sanctioned by the Central Government.

JAPANESE SEEK PERPETUAL LEASE OUTSIDE TREATY PORTS

An interpretation is being sought by the Tientsin City Government from the Ministry of Foreign Affairs concerning the Japanese demand for Chinese recognition of the right of Japanese people to own land under perpetual lease outside treaty ports. This Japanese demand, together with three others, it may be remembered, was recently served on the Tientsin City Government by the Japanese Consul-General in Tientsin in connexion with the Tunglou farm incident. So far, the Tientsin municipal authorities have not yet replied to the Japanese demarche but it is understood that the Chinese authorities will undertake to protect Japanese nationals in Chinese territory, and to institute immediate measures to suppress anti-Japanese actions.

GENERAL SUNG CHEH-YUAN RETURNING TO PEIPING SOON

General Sung Cheh-yuan, Chairman of the Hopei-Chahar Political Council, who is visiting his native district, Lolin, will return to Peiping shortly, according to Yang Shao-keng, Director of the Department of Political Affairs of the Council, who returned to Peiping from Lolin June 5. General Sung, says Mr. Yang, is in excellent spirits though he has been slightly indisposed. He is taking a brief rest before returning to Peiping. While in Lolin Mr. Yang made a detailed report to General Sung on the work of the Hopei-Chahar Political Council. General Sung told Mr. Yang that, in his opinion, a Chinese must know the world, Japan and his own country before he was qualified to talk about national salvation. He added that in both domestic and foreign affairs sincerity was of the utmost importance.

Lieut.-General Chang Tzu-chung, Mayor of Tientsin, returned to Tientsin from Peiping by rail June 4. Mayor Chang will proceed to Loling, northern Shantung, to report to General Sung Cheh-yuan on his trip to Japan.

WAICHIAOPU TO TAKE UP CASE OF RONIN ASSAULT ON POLICEMAN

As regards the Tsingtao case of June 1, in which a Chinese policeman was stabled by six Japanese ronins engaged in smuggling copper coins from that city at night, the Ministry of Foreign Affairs will take up the matter with the Japanese Embassy as soon as it completes gathering the necessary details, *Central News* reported June 5.

In view of the smuggling activities in North China being still rampant, the Ministry of Finance has petitioned the Executive Yuan June 7 to prolong the enforcement of the Provisional Regulations Governing the Punishment of Smugglers for another year.

A Chinese policeman was seriously injured by a sword in the night of June 1, when he was attacked by six Japanese, said to be smuggling copper coins, according to a *Central News* reports from Tientsin. The party of Japanese were all on bicycles carrying large quantities of copper coins on the rear section of their vehicles. They were on their way to the wharf at Hsiao Kang to ship the contraband coins out of the country. When the policeman tried to seize the coppers he was attacked. He was rushed to a local hospital. Only one of the culprits, however, was arrested, the others have been handed over to the Japanese consular police.

A motor truck, with $30,000 worth of smuggled sugar and artificial silk, was seized by Customs agents in the vicinity of the Central Station in Tientsin June 4. Both the smugglers and driver, however, made good their escape.

HOPEI TO CHECK EXODUS OF WORKERS

The Hopei Provincial Government has worked out a set of regulations intended to check the exodus of large number of Chinese workers who were recruited by "certain quarters" for construction work elsewhere. The provincial authorities, it is stated, are taking a most serious view of the matter as the depletion of able-bodied workers from the province will render difficult the carrying out of Hopei's own reconstruction works.

The Japanese Hsingchung Company will raise $5,000,000 for purchasing cotton in interior districts to meet the demand of the Japanese cotton mills in Tientsin as well as in Japan, says a *Central News* report. A storehouse for raw cotton will be erected along the Haiho.

MANY PEIPING PROFESSORS ARE REPORTED TO BE DISCHARGED

Reuter reports that according to the *Shih Chieh Jih Pao*, more than 20 professors mostly connected with the College of Law and Commerce of the National University of Peiping, and the Chung Kuo Hsueh Yuan, will be discharged after the summer vacation. A list of these professors is reported to have arrived in Peiping from Nanking. Shortly after the settlement of the Sian revolt, there were persistent reports in the local Chinese press that certain teachers would be discharged because of their unfriendly attitude towards the National Government during the crisis. Some of the students, who were in sympathy with these teachers, took the reports so seriously that they telegraphed to the Ministry of Education, asking whether they were true, and, if so, not to discharge the teachers. During the last two weeks there has been an advertising war between the leaders of the so-called New Enlightenment Association and Professor Yang Li-kwei, Dean of the Department of Physics at the National Normal University. Professor Yang started the ball rolling when he inserted an advertisement in the principal local papers, accusing the leaders of the society of preaching to the students the scrapping of the traditional code of Chinese ethics and morality, and calling them "all sorts of names." The leaders of the New Enlightenment Society denied these charges and said that they had decided to sue Professor Yang in the local court. Efforts have been made during the last few days to bring about a compromise between the two sides, but so far in vain. The so-called New Peiping Student Union, which is generally believed to have been organized at the instigation of Professor Yang and others last December, came out with a manifesto June 4 calling upon the local student world to wage war on the so-called New Enlightenment movement. The manifesto urges the National Government to discharge those professors connected with the society and "deport" them from Peiping.

DEFENSE MANEUVERS HELD AT KWEIHUA, WANG YIN'S MEN EXECUTED

Large scale air defense maneuvers were held at Kweihua June 6, under the direction of Gen. Yung Hung-lu, Commander of Air Defense forces in Shansi. During the maneuvers, the imaginary enemy planes attacked from three directions with defending planes roaring over the sky in an attempt to resist the invasion of their foes. Anti-aircraft guns were brought into play while traffic control and smoke-screens were also successfully tried out. The maneuvers were concluded at midnight.

Yang Shou-cheng, a brigadier commander under the notorious bandit chieftain Wang Ying in Chahar, has been executed at Chapser on charges of rebellious activities, according to a *Central News* report. The report further states that many commanders of the "Manchukuo" irregulars have surrendered to the government forces. This is said to have aroused apprehension among the bandits in eastern Chahar.

To resist the oppressions of the "irregular" bandits, people in several districts in northern Chahar have organized a People' Self-Defense Army, according to *Central News*.

WAR MINISTER TO GO TO SZECHWAN TO SUPERVISE MILITARY REORGANIZATION

Gen. Ho Ying-chin, Minister of War, will personally supervise the execution of the military phases of the rehabilitation program for Szechwan and Sikong provinces, *Central News* reported June 6. It is not yet known, however, as to who will be appointed by the National Government to take charge of the political phase of the program. As soon as the special official is announced, it is stated, Gen. Ho will go with him to Szechwan. The consolidation program for Szechwan, official circles state, has been brought to a concrete form as a result of the interview between Gen. Chiang Kai-shek and Liu Hang-shen, Szechwan Finance Commissioner, at Kuling June 4.

Gen. Chang Chun, former Minister of Foreign Affairs, will likely accompany Gen. Ho to Szechwan to discuss with Gen. Liu Hsiang regarding rehabilitation of that province, according to a *Central News* report. The rehabilitation of Szechwan is now waiting to be carried out in concrete measures. All the provincial commanders, it is stated, have pledged their full support to the Central Government's program of military readjustment.

Following the execution of the formula for the military readjustment in Szechwan and Sikong provinces, the Central Government will create a special commission to carry out the rehabilitation work there, *Central News* reported June 1. The military readjustment program for Szechwan has been accepted by Gen. Liu Hsiang, Chairman of Szechwan, who in addition has offered personal views on the rehabilitation issue.

According to *Shanghai Mainichi*, the six points which have been referred to so often lately regarding the reorganization of the Szechwan Provincial Government are reported to be the following :

(1) All the Szechwan troops stationed in Chungking, Ichang and Wanhsien are to be withdrawn,

(2) All the Szechwan troops will be reorganized into National troops under direct control of the Central Government,

(3) Troops directly controlled by Gen. Liu Hsiang will be reorganized into 80 regiments,

(4) All miscellaneous taxes will be rehabilitated,

(5) The Central Government will take full charge of the training of the people, and

(6) The Central Government will build and control highways in the province.

Of the six points only the one regarding the reorganization of the Szechwan troops is of great importance. In view of the serious financial difficulty in the province, it is generally believed that Gen. Liu Hsiang, chairman of the Szechwan Provincial Government, will accept all of them.

WU TE-CHEN SAID COMING FOR NANKING VISIT

Gen. Wu Te-chen, Chairman of Kwangtung, will leave either for Nanking or Kuling in the middle of this month to interview responsible Government officials regarding the political expenses of the province, *Central News* reported June 3.

TSAI TING-KAI LEAVES HONGKONG FOR PHILIPPINES

Gen. Tsai Ting-kai, former Field-Commander of the now defunct 19th Route Army, left Hongkong June 3 aboard the s.s. *Empress of Japan* for Manila and the South Seas. Gen. Tsai, who returned from a world tour last year following the collapse of the Fukien rebellion, has been living in retirement in Hongkong.

MIAO PEOPLE WANT DELEGATE TO ATTEND NATIONAL PEOPLE'S CONGRESS

A group of Miao tribesmen in western Hunan have written to the *Ta Kung Pao* in Shanghai, voicing their wish to participate in the National People's Congress to be held in Nanking on November 12. In their letter, the Miaos nominated an outstanding member of their race, by the name of Shih Hung-kwei, and expressed the hope that he be accepted as a delegate to the Assembly. Mr. Shih, according to the letter, is now a secretary of the Third District Administration in Hunan and has been nominated as a reserve delegate to the Congress at the preliminary election last year.

A plea for clean elections of truly qualified delegates to the National People's Congress on Nov. 12 was made by Chu Cheng, President of the Judicial Yuan, in a speech at the weekly Sun Yat-sen memorial meeting at the Central Party Headquarters June 7. A poll, to be successful, Mr. Chu declared, must fulfill three basic conditions, namely : (1) voters must have absolute freedom to cast their votes, (2) election must be clean, and (3) the tabulation must be accurate. Mr. Chu stressed the necessity of correcting the undesirable attitude on the part of voters in general, namely, to forfeit their suffrage privileges or to "sell" their votes. Absolute legal elections, Mr. Chu pointed out, are imperative if the delegates to the Congress, which duty is to adopt the Constitution, are truly representative of the views of the people.

As the Congress will usher in a Constitutional form of government for China, Mr. Chu stated, whether Constitutional politics can be a success will depend to no small extent upon the results of the forthcoming elections.

Author of "Three-Point" Policy in China Heads Gaimusho for Third Time

GEN. Senjuro Hayashi on the morning of June 5 handed over the business of the Premier's office to his successor, Prince Fumimaro Konoye.

The new Cabinet comprises the following:

Premier—Prince Fumimaro Konoye.
Foreign Minister—Koki Hirota.
Minister of Finance—Okinobu Kaya.
Minister of the Interior—Dr. Eiichi Baba.
Minister of War—Gen. Gen Sugiyama.
Minister of the Navy—Adm. Mitsumasa Yonai.
Minister of Education—Eiji Yasui.
Minister of Justice—Suehiko Shiono.
Minister of Communications—Ryutaro Nagai.
Minister of Railways—Chikuhei Nakajima.
Minister of Agriculture and Forestry—Count Yoriasu Arima.
Minister of Commerce and Industry—Shinji Yoshino.
Minister of Overseas Affairs—The Rev. Sonyu Otani.
Secretary-General of the Cabinet—Akirh Kazami.

With a 46-year-old Premier at its head, the new Government is be one of the youngest on record. The average age of the ministers is 53, with Koki Hirota, 59, the oldest, and the Prime Minister the youngest.

Koki Hirota, author of the so-called "Three-Point Policy" in China, has returned to the Gaimusho for the third time in the past four years. He became the new Cabinet's key figure, June 7 when Premier Konoye asked him to accept the chairmanship of the National Planning Board. The Board was created by Gen. Senjuro Hayashi, Prince Konoye's predecessor, who intended it to become the headquarters for reform policies. As head of this organization, Mr. Hirota will initiate and study fundamental reforms in the nation's administrative, political, social, educational and economic systems. His selection was entirely unexpected, as either Dr. Eiichi Baba or Shinji Yoshino were regarded as leading candidates for the post. In addition to his work at the Foreign Office, he will act as Prince Konoye's "right hand" in drafting the Government's course.

Mr. Hirota's first tenure of office at the Gaimusho was in the Cabinet headed by the late Admiral Saito. He retained the responsible post in the Cabinet of Admiral Okade. While serving in this Cabinet, Mr. Hirota fomulated his "Three-Point Policy," which stipulated the following three conditions as a requisite for the readjustment of Sino-Japanese relations: Co-operation in the suppression of Communism in China; complete cessation of anti-Japanese activities in China; and co-operation in the economic development of North China.

Japanese newspapers express the opinion that the policies of Prince Konoye's Cabinet will revolve around national defence and the Army's policies which "are consistent and immutable under any Cabinet." These are based on armament repletion, stabilization of the people's livelihood and the Navy carrying out the third replenishment program.

An extensive reshuffle of high officials of the Home Ministry, as a result of the change of Cabinets, was announced in Tokyo, June 5.

Hirota's Trade Policy to Stress Open Door and Liberalism

Liberalism in commerce, open door and equal opportunity will form the three main pillars of the trade policy to be pursued by Koki Hirota, the new Foreign Minister, Gaimusho officials predicted in Tokyo June 5. Mr. Hirota, it was said would press for a "fair distribution" of the world's natural resources at the meeting of the Special Committee on Natural Resources to be reopened in Geneva shortly.

Mr. Hirota, it was further said, will seek to control the ever-growing imports into Japan, and at the same time seek to develop Japan's exports through a readjustment of trade relations with foreign countries.

Partial regimentation of Japan's economy was defined as one of the new Cabinet's major objectives at a conference, attended by Premier Prince Fumimaro Konoye, Finance Minister Okinobu Kaya, and Mr. Shinji Yoshino, Minister of Commerce and Industry, in Tokyo June 5. In seeking the attainment of its aims, the Government will, however, seek to avoid any sudden steps apt to have an ill effect upon the nation's trade and industry, it was agreed.

Shanghai "Nichi-Nichi" Comments on Konoye Cabinet

Commenting on the Konoye Cabinet the Shanghai *Nichi-Nichi* in its leading editorial June 4 stated that Premier Konoye has adopted a policy of putting into force his own principles to certain degree, while, on the other hand, with his intelligence and wit, having a clear understanding of the existing difficult situation, he has endeavored to evade friction with the extreme and middle influences and resort to cooperation with all sides. In his choice of the members of the Cabinet, it shows his justice and clear-mindedness, and also attests to his choice of the proper persons to the proper posts for the formation of a national political front in compliance with the expectations of the people.

While highly praising the work of the Hayashi Cabinet, the *Central Daily News*, official paper of the Nanking Government, expressed the hope in a leading editorial on June 2 that the new Japanese Cabinet would follow the steps of its predecessor, the Hayashi Cabinet.

Leftist Party Wants Better Relations With China

Immediate readjustment of relations between Japan, China and the Soviet Union was demand in Tokyo, June 4 in a statement issued by the proletarian Social Masses Party. The declaration called on the new Cabinet to convoke the extraordinary session of the Diet as soon as possible, in order to pass on the following measures: Control of commodity prices; An amendment to the Election Law; Labor Union Law and the Farm Tenant Law; State control of the electic power industry; National Health Insurance Law and other social legislation.

N.E.I. Trade Mission Arrives in Japan

Eight delegates of the Netherlands East Indies arrived in Osaka this week to open negotiations with Japanese businessmen for a readjustment of trade relations between the two nations. The group is headed by Mr. W. A. Stocthusen, Chairman of the Netherlands Association of Importers, in Batavia.

Prison Terms Demanded for Ship Collision Figures

Prison terms were demanded June 7 by the public prosecutor at Takamatsu, Shikoku, for the captains of two ships—*Midori Maru* and *Senzan Maru* plying on the Inland Sea between Osaka and Beppu—whose collision on a foggy night (July 2, 1935) brought death to 86 persons. Of the 232 persons aboard the first-named ship, 13 were drowned and 73 others were reported missing. Both captains blamed fog for the collision.

Gaimusho Explains Stand on Whaling Conference

Japan will be represented at the next whaling conference as she is second to none in her desire to protect the mammal and to maintain the stability of the sperm-oil market, a spokesman of the Gaimusho stated in Tokyo, June 4.

Japan Is Heaviest Buyer of U.S. Iron

Japan took more than 60 per cent of the total scrap iron exports and approximately 80 per cent of the pig iron shipment shipped from the United States during March, the Department of Commerce announced in Washington, May 27.

Brazil Orders Gun Tractors in Japan

Orders for the manufacture of 400 caterpillar-type gun tractors, which will be used in the mechanization of the Brazilian Army, were received by a group of machinery firms in Osaka June 5. Specifications require that the tractors should be able to develop a speed of 60 kilometers per hour.

Formosan Governor Explains Island's Role in the Southward Drive

Admiral Kobayashi, Governor-General of Formosa, who, during his three weeks' stay in Tokyo, reported the present state of the rule of the island to the Tokyo authorities and exchanged views with them on the peaceful Southward development of Japan, has in the meantime returned to his post.

In a Press interview in Japan, the Governor-General said that his policy for the rule of Formosa met with the entire support of the Government. Friendship with the South Seas countries must be promoted, he said by forging closer ties of economic interdependence. Located as it is at the Southern extremity of Japanese territory, Formosa constitutes the key position for the Southward development of Japan. Unless the whole nation tries to utilize this geographical position of the island to the full, Japan's Southward efforts will not bring the desired result, the Governor-General said.

Shanghai "Nippo" Worried About Renewed Anti-Nipponism

"Goodwill missions will avail but little if the current wave of anti-Japanese acts continues unchecked," the Shanghai *Nippo* declared June 6. All these incidents, the journal asserts, retard a readjustment of Sino-Japanese relations and demonstrate the Nanking Government's inability to control local authorities. The daily lists the following anti-Japanese acts: the manhandling of a Japanese consular policeman in Swatow; the alleged attack by a Customs cruiser on two Japanese fishing trawlers off Tangku; the raid on the Seinoen Sino-Japanese model farm in Hopei; and the arrest of a Japanese geologist on charges of espionage in Hupeh.

A careful study of all these incidents, the daily asserted would show that "China is to blame in every instance."

Right of Japanese to Own Land Is Crux of Tientsin Farm Dispute

The Tientsin City Government, according to a *Reuter* dispatch from Peiping, June 7, has appealed to Nanking for a ruling on the Japanese demand for recognition of the right of Japanese subjects to acquire perpetual land leases outside treaty ports. There has so far been no answer to this demand, which is one of four made by the Japanese in connection with the alleged action of a number of Chinese in setting fire to buildings and offices of the Japanese experimental farm established at Tunglou village, near Tientsin.

After the fire the Japanese owner of the farm declared that none of the employees had been killed or was missing. Local Chinese authorities are conducting investigations into the cause of the fire, and in the meantime have asked for instructions from the Hopei-Chahar Political Council regarding the Japanese protest. The Japanese protest alleged that a group of 10 Chinese had poured kerosene on the buildings at the farm and set them on fire. Two bodies, burned beyond identification, were discovered under the debris.

The North China authorities, it is stated, have agreed to the following three demands:

1. Immediate release of Ku Wen-fu, the Chinese who is alleged to have secretly sold the farm site to Japanese.
2. Adequate protection of Japanese lives and property.
3. The Chinese authorities should suppress and remove all activities tending to cause uneasiness among Japanese residents.

The Tientsin Japanese Vice-Consul, on June 1, called on Chen Chung-yu, the Tientsin district magistrate stating that Japanese nationals had the privilege of leasing land perpetually at all treaty ports. He declared that the arrest of Ku Wen-fu and the obstacles placed in the way of the Sheng Nung Farm ("Seinoen" in Japanese) was contrary to the principle of Sino-Japanese economic co-operation. Mr. Chen, in replying to the Japanese officials, denied that the Tientsin district was included in the treaty port area. He added that since Ku was Chinese and since he violated the country's laws, the district administration was empowered to take measures against him. Mr. Chen informed the Japanese official that all future negotiations on the matter should be referred directly to the Tientsin Municipal Government.

Kuo Min in noting that Ku Wen-fu had been released stated that Ku claimed he had not sold the land to the Japanese, but merely rented it at the rate of one dollar per mow per month. As the land belongs to a school, the Tientsin District authorities instructed Ku to cancel the lease to the Japanese. When he ignored the orders of the Government he was taken into custody.

A *Domei* message from Peiping, June 4 stated that General Chin Teh-chun, Mayor of Peiping, had informed Major Takeo Imai, Japanese assistant military attache there, that the Hopei-Chahar Political Council has not yet passed on a decree regulating the purchase of land in North China by foreigners.

People Revolt in North Chahar—Police Stations Attacked

Over 400 armed people staged a revolt in a district 25 miles east of Kalgan June 3. The mob surrounded the police station and killed the Japanese and "Manchukuo" police officers. Mongolian peace preservation corps were sent immediately from Changpei to suppress the revolt. Additional troops commanded by Pao Tze-chen were also sent by the local authorities.

Changpei Closely Guarded by Japanese Troops

In view of the revolts staged by the people in North Chahar, all the gates of the Changpei city are being guarded by Japanese soldiers. No one is allowed to leave or enter the city without special guarantee of some kind. It is reported that already a number of people were killed in the city. A secretary to Prince Teh is reported to have been sent to investigate the military conditions as well as the general public opinion south of the Great Wall.

Japanese Troops in North China to Be Increased

Japanese troops in Peiping, Tientsin and Fengtai will be shifted about in the near future, according to well-informed circles. The number of Japanese troops stationed in East Hopei and along the Greal Wall will be greatly increased, according to the *Hwa Mei Wan Pao*, June 6.

Lt.-Gen. Tashiro, commander of the Japanese Garrison in North China, made an inspection tour of the Japanese troops in Chinwangtao, Tangshan and Shanhaikwan, this week. In Shanhaikwan, Lt.-Gen. Tashiro entered into conference with the Chief of Staff of the Japanese Kwantung Army regarding joint actions to be taken by the Kwantung Army and the North China Garrison for the strengthening of the defence works of the bogus regime of East Hopei.

Japanese Hsin Chung Company Purchases Cotton in North China

The Japanese Hsin Chung Company has decided to build a large godown to store cotton in Tientsin near the Haiho. Representatives of the company have been sent to different parts of North China to purchase cotton for the Japanese mills in Tientsin and Tsingtao as well as Japanese mills in Osaka. It is reported that the company will spend a total of $5,000,000 for the building of godowns and the purchase of cotton this year.

Export of Discarded Metal Banned by Peiping

The Peiping Municipality has issued an order reaffirming the ban on the export of discarded metals. Those who desire to export them must secure a *huchao* from the authorities, failing which their consignments will be subject to confiscation when seized.

Japanese Army Concerned Over Customs Guards' Entry Into Tsingtao

Japanese military authorities in North China are reported to entertain grave concern over the alleged entry of 150 Chinese Customs guards into Tsingtao June 3.

North China Consuls Draft Proposals at Tsingtao Conference

Concrete proposals to the Gaimusho for dealing with Sino-Japanese problems in North China have been prepared as a result of a two-day conference of Japanese Consular officials which closed in Tsingtao, June 2. Taking part in the deliberations were: Consul-General Tateki Horiuchi, of Tientsin; Consul-General Manabu Arino, of Tsinan; Consul-General Masojiro Otaka, of Tsingtao; and Denjiro Kato, the new Consul-General in Hankow and former First Secretary of the Embassy in China.

Shantung Chairman Refuses to Join Puppet Administration

According to diplomatic circles in Tientsin the Japanese have proposed to General Sung Cheh-yuan, Chairman of the Hopei and Chahar Political Council, for a joint administration of Chahar, Hopei and Shantung, or, in other words, to include the Province of Shantung in the puppet administration of Hopei and Chahar. As an alternative, the Japanese promised to abolish the puppet state in Eastern Hopei following the formation of the joint administration. It is understood that General Sung Cheh-yuan took up the matter with General Han Fu-chu, Chairman of Shantung, at their recent meeting in Shantung. General Han has definitely rejected the proposal, it was stated in a telegram to the *Hankow Shao Tan Pao*, May 23.

Gen. Sung Cheh-yuan Orders Organization of Military Affairs Commission

In view of the importance of military training to the national defence, Gen. Sung Cheh-yuan, in a telegram to the Peiping authorities June 3, ordered the organization of a military affairs commission. Shih Chin-ting has been appointed as chairman of the commission. It is reported that the commission will be similar in nature to the military training association of the former Peiping Branch of the Military Affairs Commission.

Japanese Geologist Is Held as Spy, But Released by Hupeh Police After Protests

After four days' detention at the hands of the Chinese police in Batung, Hupeh, on a suspicion of espionage, Sutezo Sato, a geologist attached to the Shanghai Science Institute, was released June 4. His release, the Shanghai *Nippo* reported, followed the filing of representations with the Waichiaopu by S. Hidaka, Japanese Charge d'Affaires in Nanking, and with the Hupeh Provincial authorities by Consul M. Tanaka in Ichang. The news of the arrest of Mr. Sato and his Chinese assistant on June 1 reached the Japanese Embassy by a circuitous route, said the journal. A Chinese boatman, who witnessed the arrest, immediately proceeded to Ichang and reported the incident to a Japanese resident there. The latter informed Mr. Tanaka, who communicated the matter to Hankow. From Hankow, the report was telephoned to the local branch of the Bank of Formosa, which conveyed the information to the Japanese Embassy. Accompanied by a Chinese assistant, Mr. Sato had been engaged in a geological survey of Western Hupeh for five weeks. He was scheduled to return late this month. In arresting the Japanese geologist, the police in Batung ignored his safe-conduct, issued by the Chinese authorities, said the daily.

Western Capital Retreating from North China, Says Japanese Official

Occidental capital is beating a hasty and complete retreat from North China in the opinion of Toshio Shiratori, former Japanese minister to Sweden and one-time spokesman for the Tokyo Foreign Office. "American and European investments in North China no longer are noticeable," he told the press upon his arrival in Kobe June 3 from an extended trip to Manchukuo and North China. Mr. Shiratori, who is closely identified with military and fascist political circles, is for the moment on the Gaimusho's waiting list.

Tsingtao Also Issues Decree Prohibiting Sale of Land to Foreigners

A decree prohibiting the sale of land to foreigners and the purchase of foreign-made goods has been issued by Admiral Shen Hung-lieh, Mayor of Tsingtao, according to the *Kokutsu News Agency*. The decree was addressed to all local officials under the municipal administration.

Ministry of Education Insists That N.E.U. Non-Graduate Students Proceed to Sian

According to Chinese telegraphic advices from Nanking the Ministry of Education has announced that all students of the North-Eastern University of Peiping, who are not graduating this month are required to go to Sian to join the university there at the end of the month. The Ministry, it was stated, would give every assistance to those who do not wish to go to Sian to transfer to other universities. Members of the graduating class are allowed to take the graduation examination in Peiping. All the scientific apparatus, furniture and archives of the University will be transported to Shensi early next month. The Bureau of Social Welfare of the Peiping Municipality has been instructed by the Ministry to carry out the project.

Doubts are expressed in Peiping educational circles that the students of the University will accept the plan, as it amounts to a complete rejection of the demands on which they based their recent attempts to proceed to Nanking to make a protest. These demands included not only the reinstatement of General Chang Hsueh-liang as Chancellor of the University but also the retention of the University in Peiping.

Student Parades Banned in Peiping

No more students' parades will be allowed in the city of Peiping, according to an order of the Hopei-Chahar Political Council.

Restrictions Placed on College Land Purchases

Restriction was placed by the Executive Yuan on the purchase of land by foreign colleges and universities in China in an order issued June 1. Land henceforth bought by educational institutions of said category, according to one of the six regulations adopted by the Yuan, should be used exclusively for the expansion of campuses.

Newly acquired land, it is stipulated, should not be used for the opening of subsidiary institutes for profit making, for the propagation of religion, or for any other non-educational purposes.

To make the purchase valid, it is ruled, permission must first be obtained from the local authorities, the provincial government, the municipal government, the Ministry of Interior and the Ministry of Education.

Should any violation of one of the rules governing the use of newly-bought land be discovered, it is stated, the land shall be rebought from the institutes concerned at its purchase price.

Treatment as announced by these rules applies only to colleges and universities originally founded by foreigners or foreign organizations, or those who still have foreigners sitting on, or foreign organizations represented in, the Board of Directors.

Academia Sinica Establishes Scholarship to Honor the Late Dr. V. K. Ting

As from 1938, an annual prize scholarship of $2,000 will be granted by the Academia Sinica for the best essay by college students on mathematics, physics, chemistry, astronomy, geology, natural science, geography, or biology. The scholarship is offered in memory of the late Dr. V. K. Ting, famous geologist who was General Secretary of the Academia Sinica at the time of his death in 1935.

University of Nanking Confers Bachelors' Degrees on 120 Students

One hundred and twenty students of the University of Nanking received their bachelors' degrees and 72 others were graduated from special classes at commencement exercises June 7. The ceremony concurrently marked the tenth anniversary of Dr. Y. G. Chen's services as president of the University, and a foundation fund of $1,000 donated by the board and faculty of the institution was created in honor of Dr. Chen to provide scholarships for worthy students. Dr. Wang Shih-chieh, Minister of Education, delivered the principal address. He exhorted the graduates to remember four points, namely, support for national unification, enlightenment through learning, modernization of their professions, and faith in the New Life Movement, the tenets of which are patience, endurance and constancy. Among the numerous guests present, one of the most notable was Dr. A. J. Bowen, former President of the University.

Four Thousand Peiping Students Start 45 Days' Military Training

More than 4,000 students went into barracks at Hsi Yuan near Peiping June 7 to undergo military training for 45 days. Most of them were freshmen from Government and private universities and second-year students from private and municipal senior middle schools. During the period of training, they will lead the lives of ordinary privates of the Chinese army. A much larger group of students is undergoing training at Paoting, the seat of the Hopei provincial administration. During the week middle school students from all parts of Hopei Province arrived there.

Three More Chinese Arrive in England for Special Engineering Training

Three Chinese engineer apprentices, all holders of Federation of British Industries scholarships, arrived in London this week for training in British engineering workshops. They were guests of honor at a dinner given by 12 other F.B.I. Chinese apprentices and members of the Chinese Apprentices Committee. In a speech, Lt.-General Sir George MacDonogh, former president of the China Association and of the Federation of British Industries, dwelt on the brightening conditions in China under a stable government. The way, he added, was being paved for large economic progress and a demand for capital and goods in coming years. Sir George emphasized the cultural and commercial value to both Britain and China of the training of Chinese students in British engineering works.

Merchants in Tientsin Agree to Customs House Registration Plan

Three measures for the registration of smuggled goods, recently drawn up by the Tientsin Custom House, were accepted by the Tientsin City Chamber of Commerce June 5 as follows:

1. Registration of smuggled goods to begin on June 1 and terminate on June 30.

2. After registration, the stocks of smuggled goods to be subject to inspection at any time by representatives of the Customs.

3. The Customs authorities will request the authorities of the foreign concessions in Tientsin to inform all Chinese stores therein of these measures.

In its reply, the Chamber of Commerce requested that the inspection of smuggled goods be carried out jointly by representatives of the Customs and the Chamber.

Smuggling is reported to be rampant between Kiangsu and Shantung. In consequence of the mobilization of the entire Customs force in Hsuchow, large quantities of opium and other contraband were seized during several days last week.

Ministry of Finance Asks that Term of Smuggling Punishment Regulations Be Extended

To curb the smuggling activities in North China and other parts of the country, the Ministry of Finance, in a special petition to the Executive Yuan, requests that the period for the enforcement of the Provisional Regulations governing punishment for Evasion of Customs Duties (*Cheng-Chih Tou-Lou Kuan-Shui Chan-Hsing Tiao-Li*)—which are to expire at the end of this month—be extended for one year.

British Foreign Office Says Effect of Smuggling on British Imports Not Discernible

An account of the relative state of affairs regarding smuggling in North China and its effect on imports from Great Britain compared with six months ago was given in the House of Commons June 7 by Viscount Cranborne, Under-Secretary of State for Foreign Affairs. On such estimates as it was possible to frame from the information available, said Viscount Cranborne, the volume of the traffic appeared to have been much on the same level as it was during the previous six months.

It was exceptionally active in December and January, but since then it had shown signs of diminishing. Moreover, there had recently been general indications pointing to the likelihood of an improvement in the smuggling situation but he was not yet able to drawn comparisons regarding imports from Britain into China.

Chengtu Official Announcement Says $700,000 Relief Fund Has Been Distributed

The $700,000 relief fund, converted into cash from $1 million in bonds appropriated by the Central authorities, has been completely distributed among the drought victims in Szechuen, it was officially announced in Chengtu June 2.

The Szechuen Provincial Government has also raised $1 million for drought relief. $150,000 has been remitted to the China International Famine Relief Commission, and $850,000 handed over to the Szechuen Provincial Relief Commission through Tsao Chung-chih, representative of the Ministry of Finance.

With reference to the decision of the Central Government to issue the $12 million Szechuen Provincial Relief Loan in two instalments of $6 millions each, the Szechuen Provincial Relief Commission, in a telegram to the Executive Yuan, requested that the Loan be issued in one lump sum, with a view to extending financial credits to the farmers in the drought-stricken areas.

New British Ambassador to Germany Pleads for Better Understanding

Animated discussion on the possibility of effecting an Anglo-German understanding is now going on in the British press over the speech of the new British Ambassador to Germany, Sir Neville Henderson, at a banquet given in his honor in Berlin by the Anglo-German Fellowship Association, in which he emphasized his conviction that most of the anxieties and ills of the world to-day were due to imperfect understanding.

"In England for instance," he declared, "far too many people have an entirely erroneous opinion of what the National-Socialist regime really stands for, otherwise they would put less emphasis on the National-Socialist dictatorship and much more on the great social experiment being carried out in this country. It is regrettable to find so much attention being paid to certain trees that to English eyes appear crooked and so little appreciation shown for the forest of constructive national effort as a whole."

Sir Neville also stated very frankly that the misunderstandings in Germany of what Britain intended were just as great. He had frequently heard during his few weeks stay in Germany, that Britain was deliberately attempting in every direction to restrict the natural development of Germany. "I can assure you truthfully and sincerely that Great Britain is making no such attempt.

"We fully appreciate Germany's great mission in the world. German culture, German philosophy and German ideals are among the noblest in the world," he said. "German thoroughness, German industry and German commerce have always been the objects of unstinted British admiration. The most vital problem of Germany to-day is that of raw materials. I do not believe that Germany would find any country more willing than Great Britain to help her in this matter. Where more than in the City of London with its long financial experience has there been greater readiness to help others and to discuss their difficulties?" he asked.

Sir Neville concluded by declaring that what he had told Chancellor Hitler three weeks ago came from the bottom of his heart. "Guarantee us peace and peaceful evolution in Europe and Germany will find she has no more sincere and I believe, more useful friend in all the world, than Great Britain."

Prussian Premier Goering Delivers Fiery Speech About "Spilled Blood"

Gen. Hermann Wilhelm Goering, Premier of Prussia and Reich Air Minister, in a speech at a mass meeting in the Olympic Stadium in Berlin June 5, shouted: "When blood has been spilled, it cannot be corrected with ink, but only with blood. The blood must flow."

Gen. Goering further declared, "If anyone thought Germany could be insulted with impunity, the latest events have shown that we are again the masters. The time has passed when Germany can be intimidated."

The Air Minister revealed that Germany has developed a new gas mask which can be used against all types of gas. Millions of the masks will soon be distributed at popular prices. He declared that the German organization for aerial defence comprised 12,000,000 members and 65,000 offices, employing 400,000 functionaries, 2,400 instructors, 5,000,000 technicians. There are 3,400 schools where the latter are being trained, he said.

Germany Has Not Broken Off Relations with Holy See

Political quarters in Berlin, June 2. denied rumors that German relations with the Holy See had been broken off. The denial followed reports that the Papal Nuncio in Berlin would be recalled because of the Reich Note protesting against the failure of the Pope to reprimand Cardinal Mundelein, Archbishop of Chicago, for his attack on Germany. It was emphasized, nevertheless, that relations between Germany and the Holy See were "severely strained."

Jew Beheaded in Berlin—Alleged to Have Been Engaged in Plot Against Hitler

Helmut Hirsch, an American Jew, was beheaded in Berlin June 4. He was sentenced to death for high treason in March after a secret trial, but it was rumored that he was involved in a plot against Herr Hitler and that two bombs were found in his possession. The American Consul made unsuccessful efforts on Mr. Hirsch's behalf.

French Political Commentator Discusses the Mediterranean Problem

"It is possible to foresee a solution of the Spanish question in the not too distant future," the well-known political commentator *Pertinax* wrote in *Echo de Paris* June 6. "But France and Great Britain," he continues, "will still be facing the biggest of their problems. They will have to rid their lines of communications in the Mediterranean of the Germans and Italians sent there under the pretext of a struggle against communism and who have now made their quarters there."

Valencia Government Hints at Reprisals

A hint of reprisals against air bombing was contained in the reply sent June 6 by Senor Indalecio Prieto, Minister of War in the Valencia Government, to the Non-Intervention Committee's appeal for greater respect for humanitarian principles in the conduct of the civil war, particularly concerning the bombing of civilians and the destruction of open towns. "Against the terrible arm of aviation," Senor Prieto declares, "there is only one resource. Aviation must be employed according to the same methods as the enemy and, if possible, in greater measure—that is to say, terror against terror."

Hongkong May Ask Help from England This Year to Pay Cost of Defence

Advices from South China indicate the possibility that the Hongkong Government may request the Imperial Government to rebate part of the Colony's contribution for defence in order to finance the measures adopted for protecting the civilian population against gas warfare. A preliminary estimate of the cost of air raids precautionary measures is $1,000,000. The Government has accepted, in principle, the plans calling for this expenditure. Part of the expenditure will probably be provided for in the Budget for 1937-38, but the financial position may render it necessary, it is understood, to appeal to the Home Government for financial assistance.

The *Hongkong Telegraph* understands that the estimate of $1,000,000 is the least amount that can be spent on air raid precautions. An estimate from a military source last year placed the minimum expenditure necessary to ensure comparative safety at $3,000,000. This is in addition to, the large sums that will be spent by the Imperial Government on the aerial fortification of the Colony. Hongkong's military contribution is used as part payment for the defence of Hongkong. But the air raid precautionary measures adopted by the local committee are the responsibility of the local authorities, and expenditure under this heading must come from general revenue.

The Military Contribution to the Imperial Government amounts to 20 per cent of the revenues (less certain items) of the Colony. Since 1926, Hongkong's contribution to Imperial Defence has totalled the staggering sum of $55,051,396. The estimated Defence Contribution for the ensuing year is $5,379,660, an all-time record in Hongkong's history, with the exception of 1932 and 1933.

Imperial Conference Will Be Concluded on June 15

The final plenary session of the Imperial Conference has now been definitely fixed for June 15.

The League of Nations figured predominantly in the discussions on June 4 after Foreign Secretary Anthony Eden had summarized the present situation in Geneva. He brought out strongly that the weakness of the League had been responsible for Italy's annexation of Ethiopia.

Until Great Britain's defence program has been fulfilled, the majority of the Cabinet are believed to be in favor of postponing the reformation of the League of Nations. This view is supported by the Dominions delegates, who have agreed to await a more propitious moment before attempting to make the League more powerful and efficient. Meanwhile, the Commonwealth will continue supporting Geneva as in the past.

Eden Says Ethiopian Territory Is Not Being Exchanged

In the House of Commons June 2 Foreign Secretary, Eden said that no negotiations had been sought or were taking place between Great Britain and Italy on the question of exchange of territory in connection with Abyssinia.

Britain May Divide Palestine—Arabs to Get Mountains And Jews Plains

"When the League's Committee on Mandates meets on July 18, Great Britain will propose to divide the territory of Palestine between the Jews and the Arabs, these last being given the mountainous parts of the country, while the Jews would be left in control of the plains," wrote Madame Genevieve Tabouis in the Paris *L'Oeuvre* June 6. "Great Britain will by this move take the initative in rebuilding a Jewish State and show that she is not afraid to irritate Hitler by giving to the Jews again their place among the nations of the world," Madame Tabouis added.

Australian Premier Again Argues for Pacific Agreement

J. A. Lyons, the Australian Premier and delegate to the Imperial Conference, referred to the Australian proposal for a non-aggression pact in the Pacific during a speech made at the Foreign Press Association luncheon in London June 7. The equilibrium built up by the Washington Treaty dealing with the Pacific question and concluded in February, 1922, appeared now in danger of being overthrown, Mr. Lyons stated. It was Australia's hope, he continued, that a new pact would be fully in line with the idea of the settlement of disputes without military commitments.

WHAT'S ALL THIS I HEAR ABOUT QUAKER OATS HAVING AN ABUNDANCE OF VITAMIN B ?
YES, IT DID WONDERS FOR MY BOBBY, LET ME TELL YOU ABOUT IT —
THE STORY—
WHAT ON EARTH ARE YOU DOING HOME FROM SCHOOL SO EARLY?
TEACHER SENT ME HOME WITH THIS NOTE!
HERE IS WHAT THE NOTE SAID:
Dear Mrs Brown:
Bobby is extremely nervous and irritable. Our school nurse says his system seems undernourished and out of order. Can you help him?
Teacher
LATER—
MOTHER, I GOT THREE PERFECT MARKS THIS WEEK FOR CLASSWORK!
YES, BOBBY— QUAKER OATS CERTAINLY MADE A NEW BOY OUT OF YOU
M-23

Mothers, Quaker Oats is the Cereal **THAT THE WORLD'S GREATEST FOOD EXPERTS CHOSE FOR THE DIONNE QUINTUPLETS**

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On the Dionne Quints the world has showered its model methods of raising children. Quaker Oats was selected as the cereal for these precious wards of H. M. The King even before their first birthday. Consider that recommendation for your children and serve Quaker Oats daily. It is rich in Vitamin B, the Vitamin which, doctors say, combats *constipation, poor appetite* and *nervousness*. Quaker Oats is likewise rich in carbohydrates, minerals, protein, all the essential elements for the perfect development of strong bones, sinewy muscles and sound teeth. It enriches the blood, replenishes the forces used up by study and play — aids in perfect development.

Serve Quaker Oats daily to your children and to every member of your family.

QUAKER OATS

Gives you the Vitality to keep you fit

Ex-King of England and Mrs. Simpson Are Married—A Request for Privacy

The marriage duly took place at Tours, France, on June 3 of the Duke of Windsor (former King of England) to Mrs. Wallis Warfield Simpson. The bridal pair are spending their honeymoon in Austria. The Duke in a public statement asked that he and his bride should be allowed to live their lives with the privacy and consideration that they felt is now their due.

Film on Windsor's Nuptials Under Poluntary Ban

The film concerning the marriage of the Duke of Windsor will not be shown in Great Britain, distributors of British films have decided, explaining that they feared that the picture would recall painful emotions and lead to demonstrations in the cinemas. They added that the decision had been reached entirely independently of the Government and that no authority had exercised any pressure whatsoever.

Body of Dr. Wang Chia-hsiang Found on Railway Track Badly Mangled

Mystery surrounds the death of Dr. Wang Chia-hsiang, a member of the division of neurology at the P.U.M.C., whose body was found by police on the railway track outside the Tung Pien Men, Peiping about 1 a.m. on June 3. The body was badly mutilated, but it was identified by a member of Dr. Wang's family. Dr. Wang attended to his duties in the hospital as usual the previous day. He did not return home for supper and, on telephoning to his office, Mrs. Wang was informed that her husband had left the hospital in the afternoon.

Dr. Wang was in his early thirties and a graduate of the Peiping Naval Medical College. He joined the P.U.M.C. in Peiping about seven years ago. One report circulated in Chinese circles was that Dr. Wang fell from the train by accident early in the morning while returning from Tientsin after he had accompanied the Snite party there, but this was discredited in authoritative quarters.

Nanking After Ten Years of Reconstruction

BY C. Y. W. MENG 孟長泳

NANKING, or "Southern Capital," the present capital of China, has had a long and wonderful history indeed. Even before the Christian era, it was the seat of government of the Chin Dynasty; and later on it served as the capital for five separate dynasties. In the 14th century, it was the capital of the Ming Dynasty when the latter established itself by overthrowing the Yuan Dynasty—the Mongol rule. In 1912, it became the first capital of Republican China when Dr. Sun Yat-sen established the first provisional republican form of government after the historic revolution. Since 1927 it has been the seat of the National Government after the conclusion of the Northern punitive Expedition and the fall of the Peking government.

But when the capital of the National Government was first established in Nanking, this "Southern Capital" was then only one of China's medieval cities with no modern conveniences and utilities, with narrow streets and muddy roads, and with rickshas as the only means of transportation. Unlike London, where there was a "great fire" in the 17th century (after which modern London was built), Nanking had purposely to demolish many of the houses when road building was in progress by exercising the right of *eminent domain*; and, in addition, Nanking had to issue a series of strict orders to compel the people to put up at least 2-story buildings along both sides of the roads.

Now, exactly ten years have passed. A couple of months ago, celebrations, though not elaborate, were held to commemorate the establishment of the Capital in Nanking. Only recently the Municipal Government at Nanking held a three-day celebration to mark the tenth anniversary of the City Government of Nanking. It is, therefore, of great interest to give a brief account how this once medieval city has been converted into a modern capital in a single decade.

Road Building

Under the Bureau of Public Works, road building has been going on at a rapid rate until now the city has over 33,000 meters of roads in its trunk line of important thoroughfares, with several thousand meters more in subsidiary roads. Thirteen roads make up the trunk system of the city, including Chung-Shan Road, which is the main artery of traffic, with a total length of 12,001 meters, carrying the burden of the main north and south traffic of the city. All of the above-mentioned roads have macadamized surfaces in the middle for motor car traffic, with improved dirt sections on either side for slow traffic

Sewer System

The same Bureau has also been very active in the work of building up a modern sewer system, laying pipes under every new road in course of construction. The ancient city formerly depended upon a system of old brick-lined ditches that frequently clogged up, utilizing the hundreds of ponds in the city for temporary reservoirs for storm water and sewage. In 1933 when the Netherlands Government returned the Boxer Indemnity Fund to the Chinese Government, a greater portion of it was assigned for conservancy work in Nanking, and a Department of Drainage and Conservancy was organized in the Nanking Municipal Government under the Bureau of Public Works to investigate, design and construct a sewerage system for the city. At present Nanking is building its sewerage system based on the combined system, employing interceptors, a pumping station and a force line to carry sewage to the Yangtsze outside Sanchaho, where a dilution of 1 :21,700 is secured. The whole system in the south city, when completed, will represent an expenditure of $6,000,000, of which the construction of interceptors, force line and pumping station will take $1,900,000. While work is still concentrated in the south city the municipal government is laying down sewer pipes wherever a new road is being built in the city.

Dyke Building

The problem of flood prevention in Nanking, which is a low-lying city on the banks of the Yangtsze, protected by dykes at Hsiakwan, Shanghsinho, Peihokou, Yentzerhi and Pakwachou, is an important one, since a break or leak in any of these dikes will mean a local flood during the high water season. At the present time, Nanking is protected against flood by a series of earthen and concrete dikes totalling 55,173 meters.

Modern Waterworks

Preliminary work in the design of the modern waterworks system in the capital was started in 1929, but it was not until 1933 that the project was completed sufficiently to serve a part of the city. The plant is situated near Pei Ho Kou on a plot covering about 100 mou, and has been added to and considerably improved since its installation four years ago. Today, Nanking depends upon the Yangtsze for its drinking water and fire hydrant supply. The water is taken from the river above Hsiakwan, where there is less danger of pollution through an intake far into the river, where even the lowest water will not affect the operation of the plant. Samples of the water pumped out to consumers are sent to the Municipal Health Administration for examination of chemical and bacteriological content every day, while both the river water and clear water is tested in the plant's laboratory at intervals. The present capacity of the city waterworks plant is 1,060,000 gallons per day, but in view of rapidly increasing population, a production increase of 30 per cent over this will be necessary in the near future.

Modern Electric Power Plant

Ten years ago, the electricity service was spoken of as "awful." But since 1928, some improvements have been made. It was in the eventful year 1928 that the National Construction Commission was empowered by the Central Political Council to take over the Nanking Electric Lighting Plant. More modern equipment was purchased and installed. At present, the Capital Electricity Works is serving an area of 4,000 sq. miles, including the Municipality of Nanking and three Hsiens, namely, Kiangning, Luho and Chuying. It has 45,000 customers.

Present State of Education in Nanking

The rapid increase in population in the city has caused overcrowding in the municipal primary schools, presenting a serious problem to the municipal authorities. According to an official survey last February, there were 91,641 children of primary school age in the city, of whom 40,934 were not in school due to the fact that facilities for their education were non-existent. Since then, however, the number has been reduced to 30,000 out of school, by the establishment of short-term primary schools.

Nanking has now 209 primary schools with 66,974 students operating on a budget of $98,469. This number does not include 640 short term primary classes which take in the field of primary school education during the past six months and at the present time, a special committee is investigating the possibility of enforcing compulsory education for children between the ages of 9 and 12 years of age. This will be made possible and practical with the establishment of more schools in the city and the addition of experimental schools in the rural areas. Plans for a model senior vocational school have been drawn up by the Ministary of Education and the British Boxer Indemnity Board of Trustees, to be constructed in Nanking in the near future.

Nanking, the Center of a Net-Like Bus Service

As a result of the completion of many highways, Nanking has become the center of the net-like bus service in this part of China. Indeed, it is most gratifying to see the blue buses, owned and operated by the Kiang-Nan Bus Company—possibly the largest bus company in the country—, going, several times a day out of the Nanking city gates carrying many passengers to far-distant destinations, such as Chinkiang, capital city of Kiangsu Province, Hangchow, capital city of Chekiang Province, Yiching, Wuhu, Shanghai and many other important cities. Only a couple of months ago, the first "7-Province motorcar trip to Yunnan—"South of the Clouds"—was made from Nanking!

"Not One-Tenth Has Been Achieved"

In briefly reviewing the reconstruction carried out in Nanking during these ten years, we do not mean that we are completely satisfied with the progress achieved. As pointed out by Ma Chao-chun, the mayor of Nanking, what has been done represents "only a small portion of the goal aimed at in the past decade." He said: "When we examine the question whether the results of these many years have lived up to the expectations of the Central Government or have satisfied the hopes of the people, we find that not one-tenth of what has been looked forward to has been achieved.....Not in the least can I boast of any achievements, and it is only possible for me to review the past as an encouragement and guidance for the future..."

Some Constructive Suggestions

Being very anxious to see more reconstruction in Nanking, we venture to put forward the following suggestions for the consideration of the Nanking authorities:

(I) Reconstruction should be more systematic: When the capital was removed to Nanking in 1927, the "Nanking City Planning Bureau" (with Dr. Y. M. Lin, Director) was organized to plan the reconstruction of this medieval city into a modern capital. With the assistance of American architects, a "plan" for the reconstruction of Nanking was decided upon. (For details and other designs, see "A Pre-Review of the New China National Capital" by Mr. Meng, in *The Review*, Vol. LII. No. 1, Mar. 1, 1930—Ed.) According to the "plan," Nanking was divided into different "centers," such as, political, cultural, educational, industrial, residential and municipal government centers. The cultural center was to be located in the neighborhood of Wu Tai Sen; the educational and residential centers were to be located according to circumstances; the industrial center was to be located in the south at Hsiakwan; and the "political center" was to be located on the southern part of the foot-hill of the famous Purple Mountain. The Bureau gave four reasons for this location, namely, sufficiency of space for future extension;

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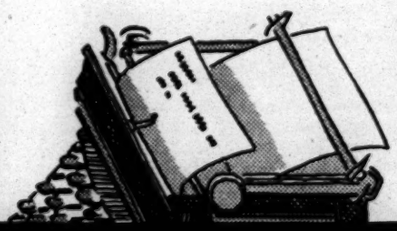

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suitability of location; impressiveness of the scene; and a strategical place. According to the "plan," a sum of 50 millions would be needed for the whole reconstruction, two-fifths of which would be borne by the provinces, and the other three-fifths by the issuance of bonds.

But, judging from what has been done during these ten years, this elaborate "plan" has certainly been relegated to the background completely by the authorities. Many government organs which have funds at their disposal built their own magnificant palace-like buildings at a cost ranging from half a million to several million dollars. (For example: at the time this article is written, the building for the Legislative Yuan now in progress cost $400,000, and that for the Chinese Customs Inspectorate cost probably several million dollars.) As a result, the ideal of creating a "political center" in the new Capital remains unrealized; and the southern part of the beautiful Purple Mountain still remains a "park" only. Instead of grouping together (see the many designs and pictures of the "plan") to promote administrative efficiency, the government buildings are scattered all about the city. Practically, all government buildings are now located in the most congested part of the city. It is also most regrettable to see that some of the schools are equally poorly located. For example: the School of Military Commissariat 軍需學校, the School (for girls) for the Orphans of the Revolutionary Martyrs 女子遺族學校, the Military College 陸軍大學, etc,, which should be located far from the center of the city, are now situated on prominent thoroughfares in the city.

In other words, I see that the reconstruction of Nanking is not being carried out in accordance with a definite plan, but it is proceeding most *unsystematically*! It is far better to have one central organ to be in charge of the reconstruction work, and let the reconstruction of Nanking be carried out in accordance with the decided plan.

As stated above, a sum of 50 millions would be required to reconstruct the whole of Nanking. But if the aggregates of the cost of construction of the many "palace-like buildings" by different government organs are put together, it will total roughly one-third of the sum, leaving only two-thirds to be raised. It is certainly by no means a hard task.

(2) Buildings should be more modern: Since 1927, the price of land in Nanking has risen higher day by day. The land-owners could easily enrich themselves by building more residential houses and let them out at high rentals. But with the exception of the buildings constructed by the Chinese banks (banks are most anxious to invest their capital on land in Nanking), the buildings constructed by the native land-owners, are still of typical old Chinese style, the so-called *ping fong* 平房 or "common dwelling houses" with no modern conveniences and sanitation. The cost of construction of each of these buildings is low and yet the return from the monthly rents is very high. Nanking has verified the truth of the elementary economic theory that "investment in land is the best investment."

It seems to me that inasmuch as modern Nanking is now under reconstruction, the first thing is to eliminate and demolish all old-style and deteriorated buildings and to permit no more of this kind of building to be erected. I really can not understand why the Bureau of Public Works in Nanking should still keep on issuing permits to the people to construct medieval-style buildings with no modern conveniences and sanitation. Why does not the Bureau impose an obligation on the land-owners to provide the buildings with modern facilities, and at the same time, prohibit them from raising the rents too high? General Chiang has given orders to the land-owners on both sides of the roads to put up buildings within a certain period but I hope similar orders will also be soon given to demolish old and deteriorated building and permit only modern buildings to be built. This is another way to reconstruct and modernize Nanking.

(3) Transportation should be improved: It also occurs to me that the bus service in Nanking should be encouraged more and developed to take the place of ricshas. The existence of ricshas in the new capital constitutes a shame to the nation. The exploitation of human labor should find no place in a modern capital today. But unfortunately, in China, large numbers of physically strong-bodied men whose labor could be better utilized in many other ways, are now the "human dynamo" or the ricsha coolie! So I urge Nanking to take the lead in the abolition of ricshas throughout the country; and to take steps to relieve the plight of these miserable people; and to give them other employment in other fields of work (certainly there is plenty!). As far as I know, the Province of Kwangsi has already practically abolished the ricsha. Travellers from the recent 7-province (Nanking to Yunnan) motorcar trip have told me that there is wonderful bus service and no more ricshas in Kwangsi. That is to say, Kwangsi, though only one of the small, poor and remote provinces, has "humbled" all other big cities, including Nanking, Shanghai, etc. in the abolition of this form of exploitation of human labor! Therefore, Nanking should be far more energetic in the reconstruction movement, and should take the lead in many economic and social reforms. That would be another way to reconstruct and moderize Nanking.

Nanking June 5, 1937.

Loan of £800,000 Arranged to Improve Nanking-Shanghai Railway

A representative of Messrs. Jardine, Matheson and Company signed an agreement in Nanking June 4 on behalf of the British and Chinese Corporation, for whom the joint agents in China are the Hongkong and Shanghai Bank and Messrs. Jardine, Matheson and Company. The agreement covers a loan of £800,000 to the Ministry of Railways for the rehabilitation of the Nanking-Shanghai Railway.

Proposed Shantung Loan of $2,500,000 Referred to Sub-Committee

A joint meeting of the Finance and Economic Committees of the Legislative Yuan was held June 3 when the bill regarding the issue of the Shantung Provincial Land Readjustment Loan to the amount of $2,500,000 was considered. It was decided that the bill be first referred to a sub-committee consisting of Messrs. Wu Shang-ying, Shih Wei-huan, Chen Chang-heng, Chang Wei-han and Ti Ying for preliminary Examination.

Vice-Minister Tseng Says China Stands High in London Financial Circles

T. K. Tseng, Chinese Vice-Minister of Railways, who remained in London after the departure of Dr. H. H. Kung, said June 5 that he had conversations with several leading financial authorities, and he had never found confidence in Chinese conditions generally so high. The Vice-Minister emphasized, however, that any definite scheme for financial assistance to China could not be expected to materialize for a considerable time yet, as there were many preliminaries to be discussed.

Executive Yuan Approves C. M. S. N. Debt Settlement Agreement

The agreement for settlement of the debt of the China Merchants Steam Navigation Company to the Hongkong and Shanghai Banking Corporation, which was reached last spring after protracted negotiations, was approved by the Executive Yuan on June 1. Under this agreement, the capital amount of the debt is fixed at $10,000,000 as of Aug. 31, 1936. This amount will bear interest from that date at the rate of four per cent per annum, payments in future to be made semi-annually on May 31 and Nov. 30 of each year until the loan is completely liquidated. Principal is to be paid off as follows: $1,500,000 on signature confirming the agreement, and $500,000 each six months thereafter, commencing May 31, 1937.

Kwangsi Loan Plan Approved—$20,000,000 Bonds to Readjust Finance

Approval has been obtained from the Central Government by the Kwangsi authorities for the proposed issuance of $20,000,000 of bonds for financial readjustment in that province, according to Huang Chi, General Manager of the Kwangsi Provincial Bank, who arrived here from Nanking yesterday.

Detailed measures for the issuance of the loan, Mr. Huang said, will be mapped out after further consultations with those at the helm of financial matters. The exchange ratio between the legal tender and Kwangsi currency is still under careful consideration of financial experts. The Kwangsi Bank head went to Nanking some time ago with Kan Chieh-hou, former Foreign Affairs Commissioner for Kwangtung and Kwangsi, to submit to the Central Government the financial reform plan for Kwangsi. He is going to the capital again on June 8 or 9 to continue discussions with the central authorities.

Japanese Financiers Consider Possibility of Reinvesting in China's Communication Systems

The Tokyo *Nichi-Nichi* May 27 stated that the Foreign Office had a joint conference with the seven Japanese organizations interested in extension of loans to China in connection with the investments in Chinese telegraph and telephone activities, as the first concrete step for Sino-Japanese economic co-operation.

The previous Japanese loans to China for telephone and telegraph activities have been long suspended, it was stated. China has been redeeming the loans by monthly installments by virtue of an agreement concluded between the two countries in 1934. The Tokyo Foreign Office has been giving consideration to the possibility of further investments.

With the Chinese Government launching telegraph and telephone projects in connection with the five-year economic promotion plan, the parties concerned have decided to make investments in this connection again, the *Nichi-Nichi* said.

Kwangtung Province to Abolish Many Exorbitant Taxes

More than 10 kinds of exorbitant levies and miscellaneous taxes, yielding an annual income of $900,000, will be abolished by the Kwangtung Provincial Department of Finance before the end of this month, according to an announcement made by Tseng Yang-fu, Mayor of Canton and concurrently Acting Provincial Commissioner of Finance for Kwangtung at Canton, June 6.

Gold Standard for China Discussed in House of Commons

The question of helping China to establish a gold standard was raised in the House of Commons June 3, when by Sir Nichols Grattan-Doyle, Conservative, asked whether, in view of the mischief which the increasing surfeit in gold production was causing in commerce, and pending its absorption by an automatic expansion of international trade, Sir John Simon, Chancellor of the Exchequer, would confer with the Government of the United States with the object of offering jointly to help the Chinese Government to establish a gold standard and currency to replace the Chinese silver currency sold to the United States. Sir John replied that the Chinese Government had not expressed any desire to establish a gold standard and that, in the circumstances, the suggestion did not appear practicable.

Import Duty on Cigarettes to Be Increased About 80 Percent

The Chinese Government is reliably learnt to have decided to increase the import duty on rolled tobacco in view of the increase in the consolidated tax on rolled tobacco, which is already in force. The increase will average 80 per cent or range from $60 to $470 per case—$60 being the lowest and the $470 the highest. Cigarettes will be divided into six grades. The duty on the first grade will be increased by 80 per cent; on the second by 7.6 Customs gold units; the third by 5.8 gold units; the fourth by four gold units; the fifth by 3.5 gold units; and on the sixth by 1.4 gold units.

Central Affairs Salt Bureau Denies Rumors of a Crisis—Revenue on Upward Trend

Allegations recently made that China's salt revenue for the present year included the portion from the advanced collection of the duty on emergency salt and that a crisis is facing this source of revenue were emphatically refuted by a high official of the Central Salt Affairs Bureau of the Ministry of Finance in Nanking June 5. The spokesman said that the salt revenue, being one of China's important financial resources, has been on the increase as a result of administrative reform instituted by the Ministry of Finance. Last year's revenue, for instance, exceeded $200,000,000, representing an increase of $20,000,000 over that of 1930 and a four or five-fold increase over that of 1928.

Because of national defense reasons, he continued, the government began to store up salt in four salt producing districts. But no tax was levied on such "emergency" salt with the exception of a due of $3 per picul transported to the four salt producing districts for storage. The $7.40 surtax on each picul of salt was, however, never collected.

The spokesman therefore declared that any allegation that taxes on emergency salt amounting to $58,000,000 were collected in advance was absolutely groundless.

Justifying the government's action in storing salt for emergency purposes, the spokesman pointed out that China's salt producing districts are mostly located along the sea coast. In case of eventualities China may be cut off from the salt supply. The storage of salt in time of peace is therefore an absolute necessity. On the other hand, he added, there had been precedents in the past.

He further produced figures to prove that China's salt revenue has been on the upward trend as a result of its efficient preventive service and readjustment measures.

Pekin Syndicate Directors Recommend Reduction of Capital by One-Third

In a recent circular to the shareholders, the directors of the Pekin Syndicate stated that the reorganization of the company's affairs in China has now been completed and they report that the results obtained from the company's mines under the Chang Fu Joint Mining Administration have, owing to the cordial co-operation of the Chinese, proved satisfactory. In these circumstances, and though the conditions which prevail in China, and in particular in the neighbourhood of the company's mines in Honan, are far from settled, the directors feel that the time has arrived for carrying through a reduction of the capital of the company.

It is proposed, therefore, that the nominal amount of all the issued shares in the capital of the company be reduced by one-third, and this will be applied partly in reducing certain of the assets of the company as appearing in its books which have been affected by the devaluation of the Chinese dollar from a par value of 2s. and its stabilization at approximately 1s. $2\frac{7}{16}$d.

Grandiose Developments in Manchuria Await Tokyo Cabinet's O.K.

The Manchukuo authorities express the hope that the new Tokyo Cabinet will call a joint conference of bankers and industrialists of the two countries immediately after its formation in order to discuss economic and industrial problems confronting the two Governments.

The Manchukuoan Government is to launch a Yen 2,600,000,000 industrial plan this year on a five-year basis. As a matter of fact, it has already commenced part of the scheme. However, as it has so far been unable to obtain the consent of the Tokyo Government, the authorities are dubious of the successful execution of the scheme.

Holding that the Manchukuoan plan will constitute an integral part of the Japan-Manchu semi-wartime industrial program, the Tokyo authorities have hitherto been expressing their reluctance to give it ready approval. But the progress in Japan of the work of drafting the industrial plan is disappointingly slow.

Now that the expansion of production power is being pushed in Japan, Korea and Manchukuo separately, it is feared that friction will occur between them. The Manchukuo authorities are keenly alive to the necessity of taking some measures for the unification of these schemes, it is stated.

Railway Track Bombed Outside of Harbin

The rails of the North Manchuria (Chinese Eastern) Railway were bombed by unknown persons outside of Harbin end of last week. As a result more than 100 Chinese living close to the area were arrested by the Japanese authorities as suspects.

Korean Town Raided by Bandits—Heavily Armed Marauders Set Fire to Buildings

Crossing the Yalu River under cover of darkness, a band of about 200 outlaws on the night of June 4 raided the town of Futempo on the Manchukuo-Korean border.

The bandits, who were said to be armed with machine guns, trench mortars and hand grenades, are reported to have looted the town, and set fire to several Government and private houses. The number of casualties could not be ascertained but a heavy loss of life was feared by officials. Japanese troops were ordered out to co-operate with the Korean border patrols and police in pursuing the marauders.

Hsinking Protests Still One More Border Incident

A protest was filed June 4, by the Manchukuo Government with Michael Slavutsky, Soviet Consul-General in Harbin, against the alleged crossing of the new Empire's eastern border by Russian troopers. The Soviet patrol, the protest asserted, crossed the border near Tungning in the morning and fired on a Manchukuo unit. Meanwhile, in a special statement, the Kwantung Army categorically denied the Soviet charges that Japanese soldiers stoned the building of the Soviet Consulate in Suifenho.

Two Hindus Held in Mukden—Complaint Made of Poor Food and Lodgings

A *Reuter* message from Mukden May 4 stated that the British Consular authorities there are closely watching developments in the case involving two Hindu British subjects named Kodomal and Memtwani, who are being held by the Japanese police for alleged arson following a fire which destroyed the silk store of Bodihand & Sons. The men, who had been receiving medical attention from a foreign doctor, complained of poor accommodation and inadequate food arrangements. The two Indians were later turned over to the British Consulate.

Manchukuo to Get Fifteenth Province

Creation of a 15th province within the new State will be announced in the early part of July, the *Kokutsu News Agency* reported June 6. The new province, to be known as Mutankiang, at present forms a portion of Kirin Province, close to the Soviet border. A total of Yen 500,000 has been earmarked for the construction of offices for the provincial government in Mutankiang City, as well as for civic improvements, the agency added.

New Railway Link Completed in Manchuria

Twenty months of railway construction, punctuated by frequent bandit raids, was brought to an end on June 10 with the opening of the Meiho-Tunghwa link of a new short-cut railway between Hsinking and Korea. The actual construction work was completed on March 14, but no trains had previously been run over the line. At first only a skeleton service will be maintained. The line will shortly be extended to Chian, on the Manchukuo-Korean border. The railway will be managed for the Manchukuo Government by the South Manchuria Railway Company.

Deposits of Iron Ore Found in Eastern Part of Manchukuo

Deposits of iron ore, described as "extraordinarily rich," have been found in the Mishan-Muling district, near Manchukuo's eastern border, the *Kokutsu News Agency* reported from Mutankiang June 6. Reports submitted to the Manchukuo Government by the Mishan authorities and experts attached to the Pinkiang Provincial Government described the ore as superior to that mined in Anshan. Also found were large deposits of coal, superior in quality to coal mined in Fushun. The experts recommended the opening of huge iron foundries in the district. The project is expected to be managed by the Showa Steel Works, a subsidiary of the South Manchuria Railway Company.

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Japan's Opium Policy Denounced at Geneva

One of the strongest indictments of Japanese opium policy in northern China ever heard by the Opium Advisory Commission was made in Geneva June 1 by Stewart Fuller, the United States delegate.

After complimenting the Chinese Government on its sincere and successful efforts to stamp out the opium habit, and after pointing out that the opium crop in Honan and Szechuen had been reduced by fifty per cent, Mr. Fuller said that in the three North-Eastern Provinces, (namely Manchuria), there had been a seventeen per cent increase in the area under cultivation and an increase of 28 per cent in the revenue realized from the culture of opium poppy.

Contrary to the terms of the Drug Convention, Mr. Fuller proceeded, an ever-increasing quantity of Iranian opium appeared to have been imported into Manchuria for use in the manufacture of morphine and heroin. The quantity was now at least forty or fifty tons a year, sufficient to manufacture four or five times the world's annual needs of heroin for medical and scientific purposes.

The province of Hopei, the American delegate declared, had become the seat of the world's most extensive manufacture of illicit heroin. Conditions in Peiping, Tientsin and Eastern Hopei were appalling beyond description.

"It remains to be seen," Mr. Fuller concluded, "whether those responsible for the ash heaps in Harbin, Mukden, Tongshan and Peiping will do anything about it before they are overtaken by retribution, which all their ill-gotten gains cannot avert."

American criticisms of Japan's opium policy in North China were supported by the British and Canadian representatives.

Thomas Wentworth Russell Pasha, Director of the Egyptian Central Narcotics Bureau, stated that 500 kilos of heroin were exported weekly from Japanese concessions in China chiefly to America. Evidence had come to hand that Japanese officers and soldiers were also becoming drug addicts, Mr. Russell revealed.

Tientsin, said Mr. Russell, has become the world's centre of drug production and toxicomania, with over 1,000 opium dens and heroin stores, reports *Havas*. Fifty-thousand Japanese and Chinese paid visits daily to the 300 illegal stores selling heroin in Harbin, he said. There are 102 dens in that city and Foochiatien which sell opium. The drugs come from Mukden and Dairen, whence they are also exported to the United States, Egypt, and countries all over the globe. A huge percentage of the world's drugs are of Japanese origin. In the Japanese concessions in North China, there are 200 Japanese-run heroin factories, employing 1,500 Japanese experts and 10,000 Chinese workmen. Those principally affected by the drug habit, Mr. Russell affirmed, were Japanese officers and soldiers.

The Japanese delegate, Mr. Yokoyama, said he had no reason to doubt the bona fides of the information presented. As a human being, he added, he was shocked by these reports and would draw the attention of the Japanese Government to them. Tientsin was a weak spot. In some places, Mr. Yokoyama continued, the collaboration of the Chinese and Japanese had helped to reduce the amount of illicit traffic in opium.

Victor Hoo, the Chinese delegate, reported that there was no illicit traffic in the other foreign concession in Tientsin. The information submitted proved that the traffic in drugs was in the nature of a boomerang. "The Japanese," declared Mr. Hoo, "who have been poisoning my country are themselves becoming addict." He expressed the hope that the Japanese Government would be warned in time.

National Anti-Opium Day Celebrated—Three Violators Publicly Executed

On the occasion of National Anti-Opium Day, three presons found guilty of violation of the opium-suppression regulations were publicly shot in Nanking, June 3. They were

Chin Hsiao-lung, guilty of transporting opium.

Wang Hsiao-wu, guilty of selling opium; and

Sun Te-jen, guilty of resuming smoking opium after having been cured once.

A memorial service was held at the auditorium of the Municipal Government building under the auspices of the Metropolitan Opium-Suppression Commission. Over 300 officials and civic representatives were present. Ma Chao-chun, Mayor of Nanking, presided.

A report on the results of the opium suppression work at the Capital was made by Wang Tsu-hsiang, director of the Commission. In the course of the past 40 months, he said, 25,000 addicts were cured at the local clinics. Of these 80 per cent were narcotic drug addicts. 20 per cent came to the clinics of their own accord, 15 per cent under arrest, and 65 per cent under presuasion. 75 per cent were men and 25 per cent women. 20 per cent contracted the vice by smoking opium as a pastime and 80 per cent as a means of curing disease.

In conclusion, Mr. Wang said that opium cannot cure disease; those who use opium as medicine are simply ignorant. The best method of breaking the opium-smoking habit is to administer to the patient opium pills, the narcotic contents of which should be gradually reduced. All other methods are unreliable, he added.

Following the meeting, a large quantity of narcotics and opium paraphernalia confiscated by the police at the Capital in the past year was publicly burned.

80 Pounds of Heroin Seized in Tientsin from May 25 to 31

More than 80 pounds of heroin valued at upwards of $100,000 was seized from Japanese and Korean "ronin" aboard steamers leaving Tientsin by Chinese Customs officials during the period from May 25 to 31, according to figures released by the Customs authorities. The seizures were made on May 25 aboard the steamer *Taishun* at Kinleeyuan Wharf, May 27 aboard the s.s. *Hunan* at the Butterfield and Swire Wharf, May 28 aboard the s.s. *Tingsheng* at Jardine Matheson Wharf, May 20 aboard the s.s. *Sinfeng* at Kinleeyuan Wharf, and May 29 aboard the s.s. *Shuntien* at the Butterfield and Swire Wharf.

Twenty-two thousand ounces of opium, heroin and other drugs, seized by the police during the past year, were ceremoniously destroyed in a huge bonfire in the centre of the drill ground in the city of Peiping, by the fire brigade during the morning of June 3. The occasion commemorated the anniversary of the burning of opium by Lin Cheh-tsu, Viceroy of Kwangtung Province, in Canton in 1839.

The Relation of Extrality to the Movement for Resistance Against Japan

A meeting was recently convened by the writers of the magazine *Jen Chien Shih Jih* ("Universe") for a discussion of the movement for the abolition of foreign consular jurisdiction in China. The conclusions on this problem were published in said magazine May 20, as follows:—

"1.—Japan has more connections with its consular jurisdiction in China than England and the U.S.A. The country which infringes our national rights and priveleges the most, is Japan. It is Japan, which will more obstinately refuse to give up its foreign consular jurisdiction in China than any other country.

"2.—Owing to the fact that there is less necessity for the existence of foreign consular jurisdiction in China and that Japan tends to extend its monopolistic control over China, England and other foreign states should cooperate with China to jointly resist Japan; therefore, now is the best opportunity for them to abandon their foreign jurisdiction in China. Thus, if we request the abolition of foreign consular jurisdiction in China, we will not lose the sympathy of the European and American countries.

"3.—The movement for the abolition of foreign consular jurisdiction in China is actuated by the difficulty of dealing with the smuggling trade and the sale of narcotics by the Japanese. Our object in view is Japan. We have to secure the restoration of our rights. We have to restore our right of jurisdiction. We have to recover our lost territories. The abolition of foreign consular jurisdiction in China is the work of resistance against Japan for National Salvation.

"4.—The abolition of foreign consular jurisdiction in China should be not only a slogan for publicity but also an item of our program to be enforced. It is a part of the activities of resistance against Japan for National Salvation, but not a transitional work for our National Salvation movement.

"5.—At present, we should extend the movement for the abolition of foreign jurisdiction and strengthen the purpose of resistance against Japan in this cause. Thus, we should rectify all kinds of mechanical interpretation of this movement and further guard against the purposeful shifting of the object in view of the pro-Japanese bloc, which might divert the anti-Japanese sentiment of the masses into other directions."

Two Chinese Members to Serve on International Labor Committee at Geneva

Nieh Kwang-yu and Chu Hsueh-fan of China were appointed members of the Committee on proposals for the International Labor Conference in Geneva, June 3. Other members are delegates from Japan, the United States, Argentina, Brazil, Canada, India and Mexico. Mr. Nieh was nominated by the employers' group of which Henry Harriman of America was elected chairman and will serve as a member of its board. Mr. Chu's nomination came from the workers' group.

Mr. Chu presented a motion asking the Board of the International Labor Office to examine the problem of smuggling in certain areas in China. He said that illegal traffic amounted to $300,000,000 and affected China's relations with every foreign power.

With the co-operation of Mr. Mertens, representative of Belgian employees, and the Japanese and Indian employee delegates, Mr. Chu then presented a second motion asking the Board to study means of immediate co-operation between the Chinese authorities and the authorities in foreign concessions and other territories in China to enforce the Government's social legislation in these districts.

Karakhan, First Ambassador to China, Falls Into Soviet Disfavor

Leon Karakhan and Marcel Rosenberg have been arrested and charged with having failed in their diplomatic missions, the Riga correspondent of *Le Petit Parisien* reported June 6. M. Karakhan was formerly Assistant Commissar of Foreign Affairs. He will be recalled as the first Ambassador to China and later to Ankara. He was recalled from the latter post just recently.

Trans-Ocean reported June 6 that two Deputy Commissaries in the collective farm industry, Ostrovski and Soms, have been suspended and their places have been taken by Temkin and Kudrjavzeff. One of the Soviet Union's leading theatrical authorities, Litovsky, has had to quit, as has the director of the Moscow Art Theater. Arkadiev.

Too Much About "Angels"—Too Little About "Arctic" in New Soviet Dictionary

Spreading to the arts, the Communist Party purge which is sweeping the Soviet Union has caught up Litovski and Arkadiev, famed in the world of the theater, and has threatened Drjabvine and Obnorski, editors of Russia's new dictionary.

Numerous Trotskyist and Boukharinian quotations allegedly dot Volume I of the work, which has just been published without the knowledge of the Academy. *Pravda* commented: "It is characteristic of the dictionary that it goes into long theological discussions on the word "angel," while only a few lines are given to "Arctic."

The newspaper *Za Industrializatsiu* accuses of sabotage Nekrassov, former director in charge of rare metals, Tatargiski, former second in control of aluminum production, and managers of the petroleum industry in Russia.

Ukrainians Vote Purge in Communist Party

The thirteenth annual Congress of the Ukrainian Communist Party June 6 voted a resolution demanding the complete revision of the political work of the Party and condemning the political blindness of the Central Committee for permitting the infiltration into Russia, as agents from the Fascist countries, Japan, Germany, and Poland, of counter-revolutionaries and nationalists.

Gamarnik Accused of Being Spy—Plot Against Stalin's Government Said Uncovered

The sensational charge that M. Gamarnik, Soviet Vice-Commissar of War, who committed suicide last in week Moscow, was a spy who "sold the Fatherland to Japanese and German imperialists" was made by the official organ, *Pravda* June 6. In the course of its article, the newspaper made thinly-veiled reference to the plotting of a coup against the Government by a combine of underground oppositionists, abetted by certain foreign powers. The campaign to disrupt the Communist Party, it added, was to have been intensified during the forthcoming secret elections to the first Soviet Parliament. The Kremlin, the *Pravda* added, was now fully informed of the situation, but the purge was not complete. The newspaper threatened merciless destruction to spies and terrorists.

Another High Soviet War Official Arrested for Conspiracy

Marshal Tukhachevsky, former Assistant Commissar of War for Soviet Russia, was arrested last week, according to *Havas*. The arrest, which was kept carefully secret, is connected with a series of political seizures made recently in the U.S.S.R.

Marshal Tukhachevsky had been removed from office not long ago after his ordinance officer Smutny, had been charged with conspiracy against Stalin.

Japan Sees Soviet Threat to Close Nipponese and German Consulates as "Propaganda Gesture"

Foreign Office officials in Tokyo, June 6 described the reported intention of the Moscow Government to close some of the German and Japanese Consulates in Soviet Russia as "a propaganda gesture." The reports said the Kremlin Government motivated its contemplated action by the belief that these consulates served as centers for spies and saboteurs. The current wave of disclosures regarding the activities of anti-Soviet groups in Russia, the officials said, has apparently led to "suspicion and nervousness" in the ranks of the Moscow Government and resulted in efforts to hoist the responsibility for these activities upon Japan.

Soviet North Pole Planes Drift on Ice Floe Towards Greenland

Three of the four planes of the Schmidt Arctic expedition which left the polar station at 3.30 a.m. June 6 arrived safely at Rudolph Island at nine o'clock. The other plane, flown by Pilot Alexiev, was forced down through lack of fuel.

The ice floe, on which the Soviet Russian Polar expedition has erected its camp and hoisted the Soviet flag, is drifting at the rate of nine kilometres a day in the direction of North Greenland. Up to June 6, the ice floe had drifted altogether some 130 kilometres.

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Japanese Drug Traffic Invades South China

BY THE REVIEW'S SOUTH CHINA CORRESPONDENT

The destruction of opium taken from British merchants in Canton in 1839 by order of the Manchu Viceroy Lin Tse-su, which led subsequently to the Sino-British war, was commemorated in South China June 3. Authorities in Kwangtung made full use of the occasion to draw public attention to the serious harm which opium and heroin have done to the millions of Chinese addicts. As in the case of Peiping, where a bonfire before the public destroyed 22,000 ounces of opium and heroin, in Canton on the Yuet Shau Athletic Field police burned opium and smoking apparatus that had been seized in recent months. Some 686 packages of raw opium, 20 large baskets of prepared kind, and a small quantity of heroin, lamps and pipes went up in smoke.

There was a night procession also in Canton, which is part of the publicity campaign to advertise China's determination to get rid of its opium evil. That Canton should have been chosen as the centre of this publicity campaign is most fitting, as what happened in the opium suppression move in 1839 and the subsequent Sino-British conflict had the closest connection with Canton. It will be recalled that in 1780 the East India Company took the English share of the opium trade out of the hands of private English traders—it had been for seven years under licence of the Company—and monopolized it for its own benefit. When, however, the Chinese Government, in 1800, showed itself resolved to suppress the trade, the Company ceased to have anything to do with opium, and the traffic reverted to private traders. In 1839 Viceroy Lin Tse-su was appointed for Kwangtung by the Emperor Tao Kuang to eradicate the opium habit at all costs, and the surrender of all chests of opium in the hands of British merchants was actually agreed to under pressure, by the British representative, Captain Elliot, Chief Superintendent of Trade in China.

In consequence of a dispute on this point, British ships had been prohibited from entering Cantonese waters, when, in an affray at Hongkong on July 7, 1839, a Chinese was killed by a party of British sailors. This incident was the immediate cause of the war between Great Britain and China, commonly known as the Opium War. The actual murderers of the Chinese could not be discovered, and the British Superintendent refused the Chinese demand for the execution of a substitute. The war was marked by the blockade of Canton and the capture of Amoy, Ningpo and Shanghai. It terminated with the signing of a Convention in Nanking, August 29, 1842. China paid an indemnity of $21,000,000 and agreed in the Convention to permit British subjects to reside and carry on their trade in Canton, Amoy, Foochow-fu, Ningpo and Shanghai and to establish British Consulates at these ports. In another part of the Convention it says: "It being obviously necessary and desirable, that British Subjects should have some Port whereat they may careen and refit their Ships, when required, and keep Stores for that purpose, His Majesty the Emperor of China cedes to Her Majesty the Queen of Great Britain, etc., the Island of Hongkong, to be possessed in perpetuity by her Britannic Majesty, Her Heirs and Successors, and to be governed by such Laws and Regulations as Her Majesty the Queen of Great Britain, etc., shall see fit to direct."

Japanese Traffickers Denounced

Difficulties similar to those which the Manchu officials in 1839 encountered in the suppression of opium are found today in North China, principally at Peiping and Tientsin, where the hands of the Chinese officials are tied by the extensive Japanese smuggling of heroin from the Concessions into the Chinese territories. In this connection one of the strongest indictments of the Japanese opium policy in North China ever heard in the Geneva Opium Advisory Commission was recently made by Stewart Fuller, the United States delegate. His attack was made on the heels of compliments to the Chinese Government upon its sincere and successful efforts to stamp out the opium habit. He pointed out that in Manchukuo there had been a 17 per cent increase of the opium producing area under cultivation, and an increase of 28 per cent in the revenue realized from the culture of the opium poppy. Contrary to the terms of the Drug Convention, an ever-increasing quantity of Iranian opium appeared to be imported into Manchukuo for use in the manufacture of morphine and heroin. The quantity of Iranian imports is at least 40 to 50 tons. Her year, sufficient for the manufacture of four to five times the world's annual needs of heroin for medicinal and scientific purpose. Hopei province, he said, had become the seat of the world's most extensive manufacturing organization of illicit heroin, while conditions in Peiping, Tientsin and Eastern Hopei (the latter being Yin Yu-keng's sphere of influence) generally, were appalling beyond description.

American Delegate Supported

Supporting the American delegate's criticism of the Japanese opium policy Russell Pasha, Commandant of the Cairo City Police and Director of the Egyptian Central Narcotics Intelligence Bureau told the same Commission at Geneva that 500 kilos of heroin, opium derivative, were exported weekly from Japanese concessions in China and went chiefly to the United States.

Hongkong Flooded With Heroin

While the experts giving evidence to the Geneva Commission discussed at considerable length the serious drug situation in North China they failed to report that in recent months Japanese traffickers in North China and Tientsin had attempted to extend their trade to Hongkong and Singapore, where Japanese have been arrested for smuggling or trading in heroin and opium. The most prominent case in Hongkong was the arrest some weeks ago of a Japanese from Tientsin, a forty-year-old teacher, Kepaklo Itabashi, who in attempting to get 724 ounces of drugs (capable of making 18,000,000 heroin pills) into Hongkong was arrested and sentenced by the Hongkong Court to ten years imprisonment.

In view of the world-wide crusade against drugs the attempts by aliens to smuggle heroin from North China into Hongkong have caused a serious local situation to the British authorities. Heroin is at the moment extensively used by a large number of Chinese in Hongkong, despite the numerous Police arrests and raids on heroin dens. A similar situation exists in Canton and other parts of Kwangtung. The heroin trafficking is fast becoming a serious social problem of the Chinese because most of the addicts of heroin are Chinese of the poorer classes, who prefer heroin because it is cheaper and easier to smoke. Among the more educated Chinese the number of people still smoking opium have been reduced greatly as shown by the fact that Hongkong's opium revenue has fallen from some $3,000,000 yearly to below $300,000. This is in keeping with the declaration of a former Governor of Hongkong that no financial consideration would be allowed to stand in the way of opium abolition.

In Canton in keeping with the New Life Movement principles, Kwangtung authorities have done good work in pushing the campaign for the complete suppression of opium smoking. Registration of all opium smokers in Canton City has been concluded and hundreds of opium addicts are being given free treatment at Government Hospitals in Canton.

Suppression work in other parts of China was referred to by a statement which General Chiang Kai-shek as Chairman of the Opium Suppression Commission made in Nanking in connection with the Canton suppression anniversary today. For instance the Generalissimo reported that the suppression of the cultivation of opium poppy and treatment of addicts has been extended to the most remote of the Chinese provinces. Opium poppy growing has been entirely eradicated in 144 *hsiens* in Szechuen, 85 *hsiens* in Yunnan, 35 *hsiens* in Kweichow, 73 *hsiens* in Shensi, 75 *hsiens* in Kansu. A provincial-wide prohibition of poppy growing has been effectively enforced in Ninghsia and Suiyuan.

All opium addicts in the provinces have been ordered by the Police to register. So far a total of 3,620,800 opium and other drug addicts have been registered, pledging to break their habits within a certain period. Over 970 Anti-Drug Hospitals have been opened for the free treatment of addicts. General Chiang expects that by 1939 opium smoking will have become a thing of the past within China. The year is fittingly chosen, indeed, as it marks the centennial anniversary of the Canton suppression work started in 1839 by Viceroy Lin Tse-su.

Canton, June 3, 1937.

Canton's Customs Revenue Shows Increase

Revenue collections of the Canton Customs for the three months of February, March and April amounted to $8,370,000. Compared with the same period last year, this is an increase of over $4,430,000.

Lancashire Still Leads in Piece-Goods on Price Basis

Despite nearly 20 years of unsurpassed difficulties, Lancashire is still, on value, the world's leading piece-goods exporter, the joint committee of cotton trade organizations stated in a report issued in London June 8 circulated to all M.P.'s. urging Government assistance. The essential soundness of the industry, the report said, remains unimpaired.

The most important single factor in the cotton trade, says the report, is the loss of 85 per cent of the Indian market, of which two-thirds are due to local mills and one-third is due to Japanese competition, which has spread to every market in the world with the constant improvement in the quality of Japanese products. Furthermore, Japanese labor is immensely cheaper—less than one-fifth of what it is in Lancashire.

The report contrasts the assistance given to other industries, but does not demand either tariffs or subsidies. It urges Government assistance in the preservation of overseas markets "so long as the present system of bilateral trade bargaining continues."

Thus cotton traders, the report adds, would gain confidence and be encouraged to undertake essential internal reorganization to take full advantage of the latest developments in technique and machinery.

South Manchuria Railway Hopes to Borrow Yen 136,000,000

The South Manchuria Railway Company will have earned a net profit of Yen 50,000,000 in the first half of this year, Yosuke Matsuoka, President of the Yen 800,000,000 concern, said on his arrival in Moji June 8.

The large profit for the last six months was ascribed by the railway official to the successful operation of the North Manchuria Railway. No dividend will be paid for the term, Mr. Matsuoka revealed, and the amount will be added to the reserve fund. The S.M.R., he continued, would continue its program of railway building and industrial development.

To carry out these plans the concern intends to borrow during the year about Yen 136,000,000, in addition to appropriating about Yen 30,000,000 from its reserve funds. Of the borrowed funds, Yen 30,000,000 would be secured from the Industrial Bank of Japan; Yen 56,000,000 from the Japanese Government and private investors: Yen 10,000,000 from the Central Bank of Manchukuo; and the rest by floating debentures.

The S.M.R.'s numerous subsidiary companies have also enjoyed a prosperous six-month period, Mr. Matsuoka concluded.

Navy and S. M. R. Officials Confer on Coal Liquefaction

Officials of the Admiralty and the South Manchuria Railway Company met at the naval fuel depot in Tokuyama June 8 to draft plans for the liquefaction of coal on a commercial basis. The S.M.R. delegation is headed by the concern's president, Yosuke Matsuoka, who had arrived from Dairen by way of Shimonoseki. Interviewed by the press, Mr. Matsuoka stated that liquefaction of coal would be commenced on a large scale shortly.

The annual production of fuel, he said, will total 300,000 tons. The future of Japan's oil supplies, he added, was very hopeful, since Manchukuo's coal deposits reach 100,000,000,000 tons.

Tokyo "Miyako" Comments on Growing Anti-Japonism in China

Commenting recently on anti-Japonism in China, the *Miyako* deeply deplored that the Swatow affair occurred at a time when the Japanese authorities were earnestly studying ways and means of adjusting Sino-Japanese relations. It was not an outrage committed by a private citizen or citizens, but its authors were a group of Chinese police officials. They stripped the Japanese victim—an official of a country who enjoys extraterritoriality in China of his clothing, arrested him and kept him under detention for over ten hours, in defiance of the protest of the Japanese authorities on the spot. They even handcuffed the captive and inflicted injuries on him. Their lawlessness was simply astounding, the Tokio journal indignantly remarked.

Anti-Japonism is running high everywhere in China, the Tokio journal proceeded. The general attitude of the Chinese people towards Japan is bellicose; it goes far beyond the "resistance against Japan" policy urged by Wang Ching-wei. On top of the Swatow affair came the news of the shooting affair off Taku, in which two Japanese fishing boats were fired at by a Chinese Customs patrol ship, resulting in injury to the captain of one of the Japanese vessels. In Shantung, Government troops are stationed in the vicinity of Tsingtao, in violation of treaty obligations, under the cloak of Customs guards, and semi-forts have been built in places. No fewer than 25 Japanese residents have already had their houses set on fire or looted. These are glaring acts of challenge to Japan, the *Miyako* declared.

President Roosevelt Not Interested in Japan's Idea of a Joint Loan to China

Japanese proposals for a new deal with China based on a huge Japanese-American-European loan to the National Government at Nanking are foredoomed to founder on the rocks of President Roosevelt's economic policy, according to Washington officials, who (according to a *Yomiuri-I.N.S.* dispatch dated at Washington May 29) stated that the President's determination to balance the budget precludes any American pledge to credit commitments in the projected consortium.

It is learned that the Japanese Embassy in London has advanced "feelers" entailing the construction of a new treaty structure designed to maintain the Far Eastern political status quo.

Most officials in the American capital, it was stated, regard the Japanese plan as "premature" but said that the United States' non-participation would not prevent consummation of the scheme at some future date in modified form.

It was pointed out in Washington that the British, French and Dutch Governments, or commercial interests, might join in the Japanese consortium, leaving the United States free to pursue an independent course.

The *Yomiuri* dispatch ended with a reference to the fact that Warren J. Pearson, chairman of the Export and Import Bank, had been in China for two months reputedly studying the possibility of selling American locomotives, rails and rolling stock, as well as road-building machinery, to the Chinese Government on credits largely underwritten by the Export and Import Bank.

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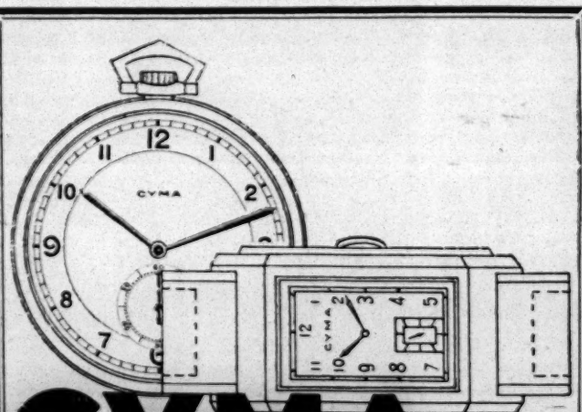

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Movements and Appointments in Diplomatic and Official Circles

The Swedish Government has appointed Baron Johan Beck-Friis, Swedish Consul-General in Shanghai, Swedish Minister to China. Until five months ago the Swedish Minister in Japan was concurrently accredited to the Chinese Government. The Swedish parliament decided, however, recently, on the proposal of the Swedish Government and in order to further the already important cultural and commercial relations between China and Sweden, to create a separate post of Minister to China.

Belgium's Minister to China, Baron Jules Guillaume, was elevated to the rank of Ambassador and the Belgian Legation in Nanking to an Embassy June 7. Baron Guillaume is at present at home in Brussels.

Robert S. Ward, American consul at Tientsin, has been transferred to Foochow, and Gordon L. Burke, consul at Foochow, has been assigned to Tientsin, it was officially announced by the U.S. Department of State June 5.

Nelson T. Johnson, American Ambassador to China, had an hour's interview June 8 with Gen. Chin Teh-chun, Mayor of Peiping and a leading member of the Hopei-Chahar Political Council.

Gen. Hsiao Chen-ying, former Mayor of Tientsin and member of the Hopei-Chahar Political Council, arrived in Paris from Rome on June 1. Gen. Hsiao, who left China in April, is on an inspection tour in Europe.

Hu Chi, the newly appointed President of the Shantung Provincial High Court, received instructions from Wang Yung-pin, Minister of Judicial Administration, at Nanking June 5, and then proceeded to his new post. Mr. Hu succeeds the late Wu Chen-tsan, who died at Tsinan last week.

Yen Shen-yu, Director of the Department of General Affairs of the Ministry of Industry, has been made concurrently Acting Director of the Trade Marks Bureau *pro tem* by an order of the Ministry. Mr. Yen succeeds Chen Fei-shih, Counsellor of the Ministry, who has been serving concurrently as Director of the Bureau.

Wang Ching-wei, Chairman of the Central Political Committee, accompanied by Madame Wang, Tseng Chung-ming, former Vice-Minister of Railways, and Lo Chia-lun, President of the National Central University, returned to Nanking from Hangchow June 7 by airplane. Before leaving Hangchow, Mr. Wang delivered an address at the Chekiang University. He dealt at length with the situation in China and Japan, the foreign policy of the Government, and the means of national salvation. He also addressed the cadets of the Central Flying School.

Arriving in Nanking from Foochow via Shanghai June 7, General Chen Yi, Chairman of the Fukien Provincial Government, called on Dr. Wang Chung-hui, Acting President of the Executive Yuan, and General Ho Ying-chin, Minister of War, to report on conditions in Fukien.

Lieut.-General Ho Chu-kuo, newly appointed Vice-Director of the Sian Provisional Headquarters of the President of the Military Affairs Commission and concurrently Commander of the Cavalry Army of the North-eastern troops, arrived in Sian from Kaifeng, provincial capital of Honan, by the Lung-Hai Railway June 7. He called on General Ku Chu-tung, Director of the Provisional Headquarters, and Lieut.-General Shangkuan Yun-hsiang, Pacification Commissioner for the Honan-Hupeh-Shensi Border.

New Swedish Envoy Sees Bright Future China

Baron Johan Beck-Friis, newly-appointed first Swedish Minister to China, interviewed by Chinese newspapermen June 5, declared that China, under the leadership of Generalissimo Chiang Kai-shek, is getting ahead and will soon become one of the world's strongest powers. This conclusion is drawn, the Swedish Minister explained, from the impressions he has made about the strides of progress along various lines in China that have come under his notice during his one year's stay. Baron Beck-Friis came to China on May 1, 1936, and during the one-year period has traveled to many leading centers of this country, including Peiping, Hankow and Canton. The big strides of progress, the Swedish Minister said, may be mainly attributed to the able leadership of Generalissimo Chiang.

Imperial Conference Discusses Far Eastern and Pacific Problems

The Imperial Conference discussed the situation in the Pacific and the Far East June 8.

The Prime Minister, Neville Chamberlain, presided over the meeting, while among those present was the Foreign Secretary, Anthony Eden, who led discussions on the situation in the Far East and the Pacific.

There was some difference of opinion over the advisability of releasing the Conference's committee reports piecemeal. It is understood that it was subsequently decided, in principle, that interim reports should be made.

Dr. K. Inui Returns from Australia—Flays China in Magazine Article

Dr. K. Inui, trade expert attached to the Japanese Embassy in China, returned to Shanghai this week. He has been touring Australia, New Zealand and other parts of the South Pacific for the past 11 months. He was detailed to assist K. Murai, Consul-General in Sydney, to present the Japanese point of view in the recent trade disputes between Tokyo and Canberra, which ended with the conclusion of a new commercial agreement.

It is stated that he will now be assigned the task of negotiating for more close commercial relations between China and Japan.

Mr. Inui is the author of the premier article in the current issue of *The Australian Quarterly*, entitled "Balance of Power Politics in China." He rehearses the familiar story of alleged Chinese violations of Japanese rights and interests in Manchuria in 1929 and 1930, banditry and boycotting.

The following extracts from the article will indicate its trend:

"In surprisingly large numbers of these representative cases, the Chinese Government officials or soldiers in regular uniform were involved, proving beyond doubt that the Chinese Government, or the Kuomintang as such, had definitely, consistently and systematically pursued policies which fell far short of the standard and practices of the day, relative to the sanctity of international treaties and the usages of friendly international intercourse."

"The diplomatic history of the Far East in some respects may be said to be an oriental edition of European politics of balance of power, in which game Europe has found China a skilful leader."

"Balance of Power politics have been bad enough, but to transform the Far East into another cock-pit of international politics, which international control means, is far from the ideal of any sane person, even of China. Europe and America can accept the Lytton Report and wait. They can afford to be legalistic, idealistic or even luxurious in their sentiment. But with Japan, her interests and security are too intimately interwoven with China to rely upon any half-way measure."

"Japan does not expect, for a moment, to be a sole arbitrator in the East. Addressing the Governor's Conference on May 4, 1934, Foreign Minister Hirota made clear the Japanese position when he called 'the maintenance of peace and order in East Asia the basic obligation which Japan must bear in common with other East Asiatic States.' What Japan proposes to China is the partnership of neighbors, and not the balance of power, in the Far East."

W. H. Donald Decorated With High Order by Chinese Government

Thirteen foreigners including W. H. Donald, close friend of Gen. Chiang Kai-shek, President of the Executive Yuan, were decorated by the National Government June 5. Mr. Donald was granted the Order of Brilliant Jade with Blue Cravat.

Takahashi Says There Is No "Anti-Nipponism" in Yangtsze Valley, Only "Spirit of Resistance"

Anti-Japanese agitation has completely disappeared from the Yangtsze Valley, according to Admiral Sankichi Takahashi, member of the Supreme War Council, who returned to Tokyo June 8 from a two-weeks tour of Central China. The Chinese people, he added, are, however, imbued with the spirit of resistance to Japan.

Italy Displays Naval Strength in Naples Maneuvers—Seventy Submarines

Seventy submarines, probably the largest number ever assembled in a single review, were shown by Sig. Mussolini to Marshal von Blomberg in maneuvers outside the Bay of Naples June 7.

The submarines were drawn up in two lines, stretching for a distance of eight miles, through which Il Duce and Marshal von Blomberg sailed in the cruiser *Duca d'Aosta*, which was at the head of a line of cruisers and destroyers.

The submarines were a reminder of the means whereby Italy would aim at closing the Mediterranean to her enemies in the event of war.

Fifteen cruisers and 41 destroyers took part in the maneuvers.

Statements of German generals in which the value of the Italian army was recognized, and particularly the declaration of the German Defence Minister, Marshal Werner von Blomberg, that the "Italian army is technically perfect," were quoted at length in newspapers in Rome June 8.

"It would be absurd to believe that secret political motives were the cause of my trip to Italy," declared Marshal van Blomberg in Naples June 8. "Both Il Duce and the Fuhrer earnestly desire to safeguard the peace of the world. "Strengthening the Rome-Berlin Axis is an excellent way to ensure world peace. If my visit causes any progress in that direction, I shall feel still more satisfied as I look back on these splendid days I have spent in Italy."

Japanese Naval Authorities Organize Special Service Department in Swatow

On the pretext of the Swatow incident, Japanese naval authorities have decided to establish Special Service Departments in Swatow to make the necessary arrangements for the opening of the new office, which is to be inaugurated on July 1.

In addition to the increasing activities of the Japanese secret agents in Shansi, Hopei, Shantung and Honan provinces, Japanese Special Service Departments will be established in Kiangsu and Anhwei provinces, according to the *Hwa Mei Wan Pao* of June 7, which stated that more than 20 Japanese secret servicemen had departed from Tientsin on June 5 for Kiangsu and Anhwei on a certain special mission.

Under the instructions of General Wu Te-chen, chairman of the Kwangtung Provincial Government, Philip Tyau, Special Foreign Affairs Director for Kwangtung and Kwangsi provinces, called on the Japanese Consul-General in Canton June 4 and demanded the departure of the Japanese war vessels from Swatow.

Ling Shih-fen, Secretary of the Office of the Special Commissioner of Foreign Affairs for Kwangtung and Kwangsi, returned to Canton June 5 from Swatow via Hongkong, together with the Japanese Vice-Consul at Canton who participated in the investigation of the Aoyama Incident at Swatow. It is understood that efforts to settle the matter at Swatow having failed, Dr. Philip Tyau, the Special Foreign Commissioner, and the Japanese Consul-General at Canton will endeavor to reach an understanding.

In his conversation with Philip Tyau, Special Commissioner of Foreign Affairs for Kwangtung and Kwangsi, the Japanese Consul-General in Canton July 7 declared: "If the Swatow incident is not settled in the near future, serious developments may follow."

Strikers at Japanese-Owned Steel Works in Shanghai Attack Plant

Climaxing a week's controversy between the management and the workers of the Japanese-owned Nakayama Steel Works, a mob, estimated to be between 200 and 300 men, on the night of June 4 stormed the plant, at 485 Brenan Road, Shanghai. Armed with wooden and iron clubs and stones, the mob demolished three customers' trucks in the compound, broke window panes and smashed a few machines. The damage is estemated at $5,000. More serious damage, the management of the factory said, was thwarted only by the timely arrival of Japanese bluejackets, from the Toyoda Cotton Mill nearby. The strike came to an end June 7 following a conference between the owners of the factory and representatives of the Bureau of Social Affairs of the City Government of Greater Shanghai.

Seven Thousand Textile Workers Go On Strike in Wusih

Demanding their wages at the end of the month instead of on the third day of the succeeding month, 7,000 workers of the Lihsin weaving factory in Wusih went on strike June 5. In an ensuing melee the offices of the management were completely destroyed.

U. S. Supreme Court Ends Session—Gives Several Decisions Against Administration

The U.S. Supreme Court concluded an eight month session June 1 by handing down a series of decisions mostly unfavorable to the Administration. The Court rejected a joint plea of the Government and the Electric Bond and Share Company to review the decision of the Lower Court upholding the registration provisions of the Utility Holding Company Act. It also refused to prevent litigation brought by 19 private utility undertakings in an effort to curtail the activities of the Tennessee Valley Authority. The Court further granted a review of the gold clause suit brought by Robert A. Taft seeking to compel the Government to continue to pay interest on Liberty Bonds in gold, payment of which was refused by the Treasury.

Sixty Per Cent Tax on Estate of Rockefeller Hinted by U.S.A. Authorities

The internal revenue authorities in Washington estimate that maximum estate taxes, amounting to $15,112,000, may be levied if all the estate of the late J. D. Rockefeller, Sr. is proved taxable. The comparative smallness of the estate, estimated at $25,000,000, is attributed to Mr. Rockefeller's philanthropic gifts and the transfer of his holdings to his son.

Republic Steel Co. Gets Court Order Against Picketing Activities of Strikers

The Republic Steel Corporation at Youngstown, Ohio, June 5, obtained a Court order limiting picketing activities at their plants in Warren and Niles, Ohio, where the workers have hitherto refused to join the walkout. The order directed strikers to refrain from interfering with the free access of employees to the plants, and forbade pickets to carry "clubs, pipes, baseball bats, blackjacks or other weapons."

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North-Eastern Army to Be Nationalized and Modernized

BY C. Y. CHANG (張仲友)

The Military Affairs Conference of the Re-Organization Commission of the three Central China Provinces took place in Kaifeng city, June 1 and 2. According to the original plan, all the division commanders were requested to attend the meeting. Owing to certain inconveniences, only the members of the Re-Organization Commission were in attendance. Besides General Wan Fu-lin, commandant of the 53rd Army, General Liu To-chuan, commandant of the 49th Army, General Liu Mao-en, commandant of the 11th Route Army, General Shen Ke, commandant of the 106th division, General Hu Tsung-nan, commandant of the first Army, and General Chen Cheng, the Generalissimo's personal representative of the Sian Field Headquarters, all the members of the Mission were present.

The main decisions adopted on the first day, were:

1.—To put into effect the plans of mass education and social works in the army;

2.—To send representatives by the Pacification Headquarters for Honan and Anhuei to inspect the troops, stationed in the province;

3.—To instruct the Kiangsu Pacification Headquarters to make a detailed list of the North-Eastern soldiers and officers who were killed on the battle field, and request the Central Government to give them better relief.

The main decisions adopted on the second day, were:

1.—To telegraph General Ho Ying-chin, Minister of War, instructing the Central Bank, at Sian, to return the stored medicines and uniforms to General Yu Hsueh-chung;

2.—To telegraph General Ho to advance the military expenses for May and June;

3.—To give relief to the unemployed military officers of the North-Eastern Army, now living scattered in the different places in the country.

At the beginning of the conference, General Liu Chih, Pacification Commissioner for Honan and Anhuei, made the opening address. He stated that the purpose of the Re-organization Commission is to nationalize and modernize the North-Eastern Army. According to instructions from the National Military Affairs Headquarters, General Liu added, the Commission should have announced its establishment on May 12. As he had been instructed by the Generalissimo to go to Nanking to receive instructions, the establishment of the Commission was postponed to June 1. At the adjournment of the meeting, General Yu Hsueh-chung, Pacification Commissioner of Kiangsu, in an address to the public said he would heartily obey the orders of the Central Government, and that the North-Eastern Army is ready to be reorganized by the latter.

General Wang Shu-chang, newly appointed vice pacification commissioner for Honan and Anhuei, was sworn into office on June 2.

It may be interesting to mention here that on May 28 when General Wang arrived in Kaifeng, General Liu Chih, newly-appointed chairman of the Military Affairs Re-Organization Commission of the three Central China Provinces, personally greeted him at the station. General Wang was accompanied by General Liu to visit several historical places in the city. This shows that all the military leaders, coming to attend the meeting, are quite sincere towards one another.

Besides the 51st Army, under the command of General Wan Fu-lin, which will be under the direction of the Central Government, the 49th Army, under General Liu To-chuan, the 57th Army, under General Miao Cheng-liu, and the 67th Army, under General Wu Li-jen, are under the direction of the Pacification Headquarters for Honan and Anhuei. After reorganization, the superfluous military officers of the North-Eastern army will still retain their original rank, and receive their original salaries.

Altogether three armies of the North-Eastern troops namely the 49th army, the 57th army, and the 67th army, are stationed in the province. They have no food or rice to eat, only gruel twice each day. It is not uncommon to hear that soldiers desert. At night no soldiers are allowed to have guns, (they must hand their guns to their higher officers) lest they run away with their weapons during the night. Four weeks ago, four battalions of the North-Eastern troops, which are now stationed at Nanyang in South-West Honan, were reported to have left their families and run away with their guns. Their living condition is no better than that of the famine-stricken people. Under these circumstances, it was quite reasonable for General Yu Hsueh-chung to move at the conference of the Re-Organization Commission that the military expenses for May and June should be advanced.

Kaifeng, June 3, 1937.

New Manchukuo Air Concern Capitalized at Yen 23,000,000

Marking the development of the aviation industry in Manchukuo, an air transport concern, capitalized at 23,000,000 yen, was inaugurated at Mukden June 5. Orders for machinery have been placed with Germany, while it is believed that German experts will be engaged to advise on technical matters.

Nanking Orders Suspension of Tientsin-Tokyo Air Service

The Central authorities telegraphed to the Hopei-Charhar Political Affairs Committee ordering the suspension of the Tientsin-Tokyo through air service which was initiated by the Huitung Aviation Corporation, June 1. The action was taken in view of the fact that the organization of the Corporation has not yet been approved by the Central Government.

Noted French Airman Flies in Tokyo Air Pageant

Piloting a Nakajima AN-type monoplane, loaned by the *Asahi* newspapers, Marcel Doret, noted French aviator, participated in an aerial pageant in Tokyo June 5 marking the end of a five-day patriotic aviation campaign. Taking part in the display, which was witnessed by more than 100,000 persons, were 160 Army, Navy and civilian machines, including the *Kamikaze*, the Asahi's plane that recently completed a round-trip goodwill flight to London.

The campaign was conducted in conjunction with the sale of patriotic aviation stamps, which began on June 1. These stamps, costing double the ordinary ones, are expected to bring Yen 1,000,000 a year to the Ministry of Communications which will use the revenue to improve and extend domestic air routes.

Amelia Earhart Arrives in West Africa in Course of Round-the-World Flight

Amelia Earhart, who left Miami, Florida, on June 1 on a 28,000-mile flight around the world, arrived in Port Natal, Brazil, June 6 from Fortaleza, capital of the Brazilian state of Ceara, in her U.S.$80,000 Lockeed-Electra monoplane, "The Flying Laboratory." The aviatrix is accompanied by Fred Nonnan. Her route includes a trip across the Sahara to Aden. She arrived in Dakar, West africa, June 8.

Overseas Continue Contributions for Purchase of Air Planes

Oversea Chinese are continuing their contributions for the purchase of air planes to be presented to the National Government. It is reported that overseas Chinese in Australia have sent back $5,000 and overseas Chinese in the United States have sent back $100,000 for the purchase of airplanes recently.

James Mollison Sued for Divorce by "Amy"

Divorce papers alleging infidelity were served on Capt. James Millison, noted British airman, London June 5. The papers charged infidelity with three women, two of whom were mentioned by name. Mrs. Amy Johnson Mollison, the aviator's wife who is also a noted aviatrix, at present is in Paris.

Large Scale Air Defence Maneuvers Held at Kweihua

Large-scale air defence maneuvers were held at Kweihua June 6 and 7. Leaving Kweihua at 7 a.m. a fleet of "enemy" planes flew to Pailingmiao and Tamiao, northern Suiyuan, for reconnoitering purposes. They returned before 10 a.m. to stage an attack on the Suiyuan provincial capital.

On receiving an alarm from Wuchuan, 30 miles north of Kweihua, the Air Defence Headquarters immediately issued a warning to the entire city. "Fires" caused by incendiary bombs of the "enemy" airplanes were quickly brought under control by the fire brigade, while public health corps busied themselves in areas where poison gas bombs were dropped. Traffic in the city was strictly regulated and all shops closed. Lieut.-General Yung Hung-lu, Air Defence Commissioner for Shansi, and General Fu Tso-i, Chairman of the Suiyuan Provincial Government, personally inspected the work of the fire brigade.

After the extinction of the fires, poison gas bombs were again dropped in several places, so that the services of the fire brigade and public health corps had again to be summoned. The maneuvers were concluded at 10.30 a.m. An hour later, two airplanes gave some aerial demonstrations.

Oldest Bishop in China Makes First Air Journey

After an uninterrupted sojourn of sixty-one years in remote Kansu and Ninghsia, Bishop Hubert Otto, of the Schuet Congregation, recently ascended in an airplane for the first time in his life and in the brief space of two-and-a-half hours negotiated the distance of some 400 English miles between Kweihua and Ninghsia city, a distance which on previous journeys it had taken him approximately 15 days to cover. Bishop Otto, born in the middle of the 19th century, is 87 years of age. Despite his advanced age, this venerable prelate continues to be active, his favorite occupation being the instruction of the young and of converts.

Who's Who in China

華秀升
Hua Hsiu-sheng

Hua Hsiu-sheng, Government official; born at Tunghai, Yunnan, 1896; attended Tsinghua College, Peiping, 1912-19; University of Missouri, University of Florida, Tulane University, and Columbia University U.S.A., 1919-24; A.B. (Mo.), and A.M. (Fla); principal of the Yunnan Higher Normal School, Kunming; principal of the Fine Arts College, Yunnan; Professor of Political Science and Economics, Dean of Liberal Arts Department and Vice-President of the Tunglu University, Kunming; President of the Yunnan Provincial Tunglu University; now Director of the Auditing Department of the Yunnan Provincial Government; author of "The Principle of the Separation of Powers and Its Application in the United States;" address: Auditing Department, Yunnan Provincial Government, Kunming, Yunnan.

華秀升，雲南通海縣人，年四十二歲，一九一九年北平清華大學畢業後，赴美留學，得米蘇里大學文學士位及福立特大學碩士位，回國後歷任雲南高等師範學校校長，雲南美術專門學校校長，東陸大學政治經濟教授，文科主任，副校長，雲南省立東陸大學校長，現任雲南省政府審計處處長，通信處：雲南省政府審計處或昆明市二甕街小土巷三號。

Net Income Shanghai Telephone Co. Shows Increase in 1936

An increase in net income for the Shanghai Telephone Company was registered for 1936 as compared to 1935, despite the fact that total revenue showed slight decreases, according to the statement of accounts issued to the shareholders for the year ending Dec. 31, 1936.

Total operating revenues dropped from $7,122,640 in 1935 to $6,862,635 in 1936. On the other hand total operating expenses increased. However, the 1935 figures include a charge of $422,353 attributable principally to revaluation of Sterling loan at the December 31, 1935 exchange rate. Thus, net income for 1936 reached $577,013 as compared to $430,789 for 1935.

During the past year the company has shown a definite development, with the number of telephones in service on December 31, 1936 totalling 56,020, a gain of 4830 over the figures for the close of 1935, and representing the largest number in service in the history of the company.

Construction activities included the installation of message registers to all subscribers' lines and the extension of existing toll switchboards to take care of increased traffic. The telephone plant has been maintained at high standard, methods improved and routines modified in the Company's continued efforts to render a service of increasing efficiency.

Radio telephone communication with Japan was inaugurated in February of 1936, and later in the year with Hankow and Canton, and with Hongkong in 1937, and radio telephone service is now available with the United States, Canada, Mexico and Cuba.

WHO'S WHO IN CHINA
—5th EDITION

Contains more than 1,500 biographies of Chinese leaders in Government Service, Private Commercial and Professional Life; also includes the biographies of a number of prominent Chinese women. Price $10 a copy, including postage, in China or U.S.$5 if mailed abroad. Special Offer:—Send $16 (Chinese Cy.) and receive *The Review* for a full year and also a copy of *Who's Who;* if abroad send U. S. $11. Send orders with check or postal order to

THE CHINA WEEKLY REVIEW
160 Ave. Edward VII, Shanghai.

In the United States Court for China

In re.
LAST WILL AND TESTAMENT
of
MILTON D. PURDY
Deceased.

Cause No. 4177
Special Proceedings No. 2056
NOTICE
Filed at Shanghai, China May 14, 1937.
WILLIAM T. COLLINS, Clerk.

Pursuant to an Order of said Court notice is hereby given to all persons having claims against the estate of Milton D. Purdy, deceased, to present the same with vouchers to the undersigned on or before November 22, 1937, and all persons owing debts to said deceased are hereby notified to make payments of the same in due course to the undersigned.

Dr. Geo. Sellett,
Hamilton House, Shanghai, China.

Shanghai, China.

In the United States Court for China

In re.
ESTATE
of
ERNST B. FILSINGER
Deceased.

Cause No. 4214
Special Proceedings No. 2093
NOTICE
Filed at Shanghai, China, June 3, 1937.
William T. Collins, Clerk.

Pursuant to an Order of said Court notice is hereby given to all persons having claims against the estate of Ernst B. Filsinger, deceased, to present the same with vouchers to the undersigned on or before December 12th, 1937, and all persons owing debts to said deceased are hereby notified to make payments of the same in due course to the undersigned.

N. E. LURTON
330 Szechuen Road
Shanghai, China

Shanghai, China.

Men and Events

Mrs. Margaret Sanger, famous birth control advocate, who visited Shanghai and other places in the Far East about a year ago, plans to visit Shanghai again late this summer.

The Fukien Provincial Government has placed a ban on dancing among public functionaries in the province. Violators of this rule are to be subject to severe punishment.

A *Domei* message from Tokyo, June 6 stated that transmission of telephotos on a commercial basis, on the London-Berlin-Los Angeles-Tokyo circuit, will begin next summer.

The modest-looking Japanese hotel in Boone Road, Shanghai, known as the Towa Yoko, has of late become the rendezvous for practically all the Japanese military officials visiting Shanghai.

W. M. Kirkpatrick, representative in China of the Export Credits Guarantee Department, left for Hankow by riverboat June 5. He expects to spend eight to ten days in Hupeh province.

A garden party was held at the home of Dr. and Mrs. Arthur N. Young at 7 Route Francis Garnier, Shanghai, June 5, to mark the end of a successful year's work by the American Women's Club.

W. Lewisohn, Peiping correspondent of the *North-China Daily News*, who left Shanghai in the middle of April on a tour of China's Far West, returned to Peiping June 7 after having completed a motor car tour of 5,000 miles.

Seven members of the peace preservation corps stationed in the Chaofoong Silk Factory at Tanto near Wuhu mutinied in the morning of June 7, according to the *Sin Wen Pao*, and allegedly took away $18,000 in cash belonging to the factory.

A warning to the general public not to give tips to telegraph messenger boys during the Dragon Boat Festival, which falls on June 13, was issued this week by the local Shanghai Telegraph Offices of the Ministry of Communications.

A telegram from Vatican City, June 8, stated that the Sisters of St. Francis from Springfield, Ill., working at the Vicarite at Tsinan, China, have treated 7,086 patients and visited 3,215 sick homes, alms houses and prisons during the past decade.

The first steamer to dock at the recently completed Jukong Wharf will be the *Empress of Japan*, when she arrives here from Hongkong June 13. The formal opening of this $5,000,000 wharf will await the return to China of Dr. H. H. Kung.

Gen. Tsai Ting-kai, former Commander of the 19th Route Army, accompanied by a secretary, left Hongkong last week for the Philippine Islands in the liner *Empress of Japan*, according to a report to the *Lib Pao*. He intends to spend some time in the Philippines.

The Shanghai French Concession has granted permission for a local firm headed by Jack Levy, of Sennett Freres, to run half a dozen small Austin taxicabs as an experiment. The minimum fare will be ten cents; rate for first mile, 30 cents—to be ascertained by meters placed on the cars.

Owing to the absence of the President Judge of the French Court, Rivelain Kaufman, in Tientsin to conduct hearings, the case of Dr. A. Richer, who is suing the French Municipality because of alleged irregularities in the election of Land Commissioners, has been indefinitely adjourned.

The contents of the former Embassy Hotel in Bubbling Well Road, long known as the principal family hotel in Shanghai, were sold at auction this week. The owners of the property are the Bank of China, who will convert it into an apartment house.

Shanghai had its first taste of really hot and damp weather June 7, when the temperature rose to 97 degrees around noontime. The humidity at 4 a.m. was 98 percent. A severe thunderstorm in the evening considerably reduced the temperature for the rest of the week.

Recent advices from Amoy state that the bubonic plague in southern Fukien is showing signs of gradual abatement. The plague examination offices in Tungan and Aotou have been abolished, while examinations on board ships passing through Amoy will be stopped by June 15 by the Amoy Quarantine Service.

Dr. Y. C. Hoe of Lingnan University, Canton, will shortly lead a party of nearly twenty-five Chinese and American students on a tour to Peiping. The party will leave Canton on June 22 and travel to Changsha by rail. From there they will travel overland to Hangchow and Shanghai and then continue to Nanking and Peking.

The northern route group of the Nanking-Yunnan Motor-Bus Expedition, headed by Dr. Wu Lien-te, Director of the National Quarantine Service, returned to Nanking June 1 from Szechuen via Hankow on the s.s. *Min Chuan*. After calling on Dr. J. Heng Liu, Director of the National Health Administration, Dr. Wu proceeded to Shanghai.

The tenth anniversary of the establishment of the Nanking Municipal Government was commemorated June 1. Over 300 officials were present at the memorial service, including representatives of Central Party Headquarters, the National Government, the Executive Yuan, the Legislative Yuan and the Greater Shanghai Municipal Governmeat.

Lieut.-Gen. Motoo Furusho, Director of the War Minister's Aviation Department, called on Gen. Chang Ching-hui, Manchukuo Premier at Hsinking June 8.

Judge Milton J. Helmick held a sitting of the U. S. Court for China at Tientsin this week, when several civil cases were heard. The principal case concerned the status of the Nichols Rug Company, which petitioned for a discharge in bankruptcy. District Attorney Leighton Shields remained in Shanghai, as there were no criminal cases on the Tientsin docket.

Wang Yun-wu, General Manager of the Commercial Press, was elected Chairman of the Board of Directors of the Wenchi Paper Manufacturing Company, Ltd. at a joint meeting of the Boards of Directors and Supervisors held June 5 with Dr. Chou I-chun, Administrative Vice-Minister of Industry and member of the Board of Directors of the Company, in the chair.

The Nippon Yusen Kaisha announces plans to erect a huge skyscraper, sometime in 1938, on the site of its present building, next to the grounds of the British Consulate General in Shanghai. The erection of this new building had been under consideration for several years, but a large tract of land to be used for the proposed building has in the meantime remained idle.

Prominent among recent visitors to Peiping were Dr. and Mrs. Gilbert H. Grosvenor. Mr. Grosvenor is President of the National Geographic Society of America and Editor of the *National Geographic Magazine*. Dr. and Mrs. Grosvenor were the guests of American Ambassador and Mrs. Nelson T. Johnson. They were also honored at a dinner given by Dr. John C. Ferguson.

The burial place in Sungkiang of General Frederick Townsend Ward, prominent military leader during the time of the Taiping rebellion, was the scene of a pilgrimage on Sunday June 6 by Americans, including many members of the American Legion, where the annual memorial services were held. Col. C. F. B. Price, Commanding Officer of the United States Fourth Marines, made the principal address.

Dr. Harry W. Miller, head of the Shanghai Sanitarium and Clinic, departed for Canton end of last week enroute to Hankow to become medical director of a newly founded sanitarium in Wuchang. Dr. Charles C. Landis has been invited to take charge of the Shanghai Sanitarium, of which he was Medical Superintendent between 1919 and 1924. At present he is operating a hospital at Chico, California.

Dr. Hsiao Yu-min, wife of Hsiao Jen-yuen, former Managing-Director of the Peiping-Hankow Railway Administration, returned to Shanghai from Germany last week with the distinction of being one of the few Chinese women who has ever obtained the degree of Doctor of Medicine from Germany. She spent eight years studying in Berlin University, where she was graduated with the degree of Doctor of Medicine. After graduation, she served in various German state hospitals.

The old building on Nanking Road in Shanghai, which housed the defunct American-Oriental Banking Corporation, is to be razed to the ground. Incidental to the demolition of the building the Municipal Council will acquire a strip of from 16 to 25 feet of the property for the widening of Nanking Road. The vacant site will be converted into an auto parking area. The plot belongs to the Asia Realty Co., the only one of F. J. Raven's enterprises that is still operating.

The Japanese population in Tientsin increased by 64 during the month of October, according to a recent survey by the Japanese Consular Police in the North China port. At present there are 10,585 Japanese, including 2,282 Koreans and 72 Formosans, in Tientsin. There are 20,450 Japanese within the jurisdiction of the Tientsin consular police. This includes 4,474 in Peiping, 1,740 in Shanhaikwan, 1,300 in Tangshan, 675 in Chinwangtao, 384 in Luanchow, 360 in Changli, 328 in Tangku, 240 in Tungchow, 225 in Kupeikou, and 138 in Fengtai.

The First Special District Court June 4 finally disposed of the case in which Vecheslav Adamsky, Pole, and Constantin Grigorievitch Denisoff, alias Polansky, Russian, were charged with causing by fraudulent means Ismer & Co., Nanking Road, Shanghai, to deliver to them money and jewels to the amount of $5,293, between April and May this year. The trick was accomplished by palming off aluminum as platinum. Denisoff was found guilty and sentenced to imprisonment for 14 months. Adamsky was found not guilty, but was ordered to furnish $20,000 shop security during the period of appeal.

The Christian Literature Society for China will celebrate the 50th anniversary since its foundation in October of this year. To mark the golden jubilee year of the society, an issue of debentures is being made in order to pay off the bank overdraft of $110,500 and a loan of $25,000 incurred by the construction of its new building in Museum Road in 1931. The debenture issue has a limit of $140,000, bearing interest at the rate of five per cent per annum. The debentures are being issued in denominations of $100, $200, $500, $1,000 and upwards, for periods of three, five, ten, fifteen and twenty years respectively. They will all rank equally.

Railway Line Between Shanghai and Soochow to Be Double-Tracked

To relieve the congestion in passenger traffic on the Nanking-Shanghai Railway, the Ministry of Railways has decided to lay double tracks on the section between Shanghai and Soochow. New streamlined locomotives will be purchased in order to speed up the service.

An expansion program, aimed to meet the pressure of mounting traffic, is now being put into effect by the authorities of the Shanghai-Nanking and Shanghai-Hangchow-Ningpo Railways. At the present time, the S.N.R. and the S.H.N.R. Administration plans to spend in the neighborhood of $2,000,000 for the first portion of its expansion schemes. Also planned as part of the program is the purchase of approximately 50 new passenger cars and 22 new locomotives.

A general reduction of fares on passenger trains along both the Nanking-Shanghai and Shanghai-Hangchow Railways from 10 to 30 percent will be put into effect with the approval of the Ministry of Railways as from July 1, it is announced by the Nanking-Shanghai and Shanghai-Hangchow Railway Administration. A schedule of reduced fares for freight trains has also been promulgated and will be submitted to the Ministry of Railways for sanction.

Tientsin-Pukow Line Receives Five New Locomotives from England

Five new large locomotives recently purchased from England by the Tientsin-Pukow Railway Administration were delivered at Hsuchow June 3.

Suiyuan-Sinkiang Bus Service Resumed

After a week's suspension, brought about by unsettled conditions in Sinkiang, bus communications to that province from Suiyuan were resumed June 5. The bus line halted operations following the outbreak of a minor clash between the Chinese troops under Gen. Sheng Shih-tsai, pacification commissioner, and Mohammedan forces under the garrison commander of Hami.

Claims-Pact With Soviets Upheld by U.S. Supreme Court

The existence and validity of the Roosevelt-Litvinoff agreement, reached three and-a-half years ago by the President and the Commissar of Foreign Affairs at the Soviet Republic, were formally recognized by the U.S. Supreme Court May 3 when the justices decided that the United States was legally qualified to sue for $25,438, deposited with August Belmont & Co., by the Petrograd Metal Works, later nationalized by the Russian Government. The court upheld the arrangement by which Russia released and assigned to the United States all claims by the Soviet against United States nationals, including the $25,438 deposited with the Belmont house. The opinion stated that it dealt alone with this specific case, but the United States Government has noted that fifteen other such law-suits, involving a total of $8,000,000, are now pending in the courts.

Justice Sutherland, a former member of the Senate Foreign Relations Committee, dismissed for the court the judgment of the Second Circuit Court that, as the $25,438 was deposited in New York State, it would be against State policy for the government to take the funds and that as the Soviet nationalization decree amounted to confiscation, this government's public policy would be violated by taking the money.

Justice Stone, in an opinion shared by Justices Brandeis and Cardozo, agreed with the result reached by the majority but objected to "the path by which it was reached." The liberal justices held that the Belmont firm could not legally challenge the assignment of claims to the United States, but they declined to concur in Justice Sutherland's finding that the States must defer to the government where international policies were concerned.

Motor Vehicles in China Must Use Metric Gauges After Six Months

To standardize the nation's weights and measures system, the Executive Yuan June 6 promulgated a set of regulations stipulating that gasoline gauges and speedometers for motor vehicles in China should henceforth be recorded in liters and kilometers instead of in gallons and miles as has been the case. All motor vehicle owners who fail to have the old gasoline gauges and speedometers replaced by new ones six months after the promulgation of the rules will not be granted registration permits for their cars, the new ruling further stipulates. The rules state that all speed recording devices and signs should henceforth be in kilometers instead of in miles, and all gasoline tanks and similar oil containers should be marked in terms of liters instead of gallons. Service stations and agents selling gasoline and lubricating oil are all required strictly to observe this new ruling. The new rules, it is understood, were drawn up by the Ministry of Industries in view of the adoption of the metric system for the nation's weights and measures. Each kilometer, is equivalent to 0.621 mile, while each liter equivalent to 0.26 gallon.

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Get a vial to-day; any chemist can supply this ideal family laxative.

The National City Bank of New York, Rates of Exchange

Shanghai, June 9, 1937

Demand selling rate on America :	U.S. $1.00=Sh. $ 3.36
Demand buying rate on America :	U.S. $1.00=Sh. $ 3.34
Demand selling rate on London :	£1.0.0=Sh. $16.58
Demand buying rate on London :	£1.0.0=Sh. $16.48

New Books of Interest in the Far East

A Study of the Agrarian Crisis in South China

Landlord and Peasant in China. By Chen Han-sing, A study of the agrarian crisis in South China. With a preface by Frederick V. Field, Secretary, American Council, Institute of Pacific Relations. International Publishers, N.Y. 1936. 144 pp.

Most of China's major difficulties spring from the distress of her 380,000,000 farmers. Communism, which is today China's most important problem, has its roots in rural misery. Banditry, still rampant in many parts of the country, is likewise a result of agricultural poverty. The annual famines are a serious drain on national wealth. And it is mainly because of rural distress that the Central Government is forced to keep its expenditures for rehabilitation down to the income from taxes on imports and domestic trade.

Yet, despite the obvious importance of the question, few studies of the problem have thus far been made. There were brief reports of a few experts sent to China by the League of Nations; a few studies made by the Nankai University; and, finally, there will soon be Dr. Buck's two-volume work on rural China. Mr. Chen's book, therefore, is a welcome addition to the scanty amount of information available on the agricultural conditions in this country.

Mr. Chen's study deals with Kwangtung, which, with its 32,000,000 inhabitants, its fertile soil, its mild climate, its proximity to great ports, and its developed communications, is generally regarded as one of China's richest provinces. Yet, his investigations, which appear to be both thorough and reliable, show a picture of incredible poverty, distress, misgovernment, cruelty and oppression.

One-third of the peasant families in the province, Mr. Chen shows, possess less than five mow of land each; nearly a half of the families are entirely landless, and more than 60 per cent of all the land cultivated is rented from landlords.

The taxes, Mr. Chen finds, are steadily increasing, leaving less to the farmer, forcing him to seek assistance from the usurer and to sell his land for a pittance. "The land tax in Kwangtung," he declares, "has been greatly increased by two new policies. The first is the recent extensive building of public roads, with the pretext of improving rural communications but primarily for facilitating military movements. The second is the reorganization of village administration under the beautiful name of rural self-government; however, it is chiefly for furthering the purpose of taxation.

"Within the past five years the total tax burden has trebled, and this burden is being largely shifted upon the shoulders of peasants who have to pay rent. The rent, which is usually paid in grain, amounts to 50-57% of the entire harvest, No one can mistake this for a capitalistic rent. Such a high rent, together with all its consequent burdens, crushes the peasant and sends him to the usurer. In any one district of the province, 60-90% of all the peasant families are in debt. Many peasants have to seek a loan in grain; others have to pawn their clothes, furniture, and even hoes, rakes, harrows, ploughs etc. The usual interest charged on a loan in grain is 30% for six months; the monthly interest of the pawn shop is 2 to 3 %; sometimes as high as 6%. No one can think of such high rates of interest as being capitalistic, or possible in any capitalistic country.

"The bankrupted peasants rapidly give up their land through the process of mortgage; as landless peasants not taken in or 'absorbed' by industry are ever on the increase, wages in general are falling down, and rents in all forms are rising. Thus, bankruptcy repeats itself and accelerates the process, till the speed of rural proletarization, or in China to be more exact, the speed of pauperization, far exceeds that of peasant exodus and possible industrialization. The present system of land monopoly in China can only bestow perpetual ownership on a selected few, and simultaneously force perpetual indebtedness upon an ever-growing mass."

Mr. Chen finds a new type of landlord replacing the old gentry. They are the militarists, "fattened from tax incomes, loan commissions, and squeezes from soldiers' payments." The new landlords, Mr. Chen notes, are more powerful than their predecessors could be, because they can use armed force in collecting their rents. In Kwangtung, according to Mr. Chen, each division and brigade commander and most of the regimental commanders possess large tracts of land, and he cites the case of a warlord, who owned land so close to French Indo-China that he found it more convenient to pay taxes to the French Government.

These militarists, Mr. Chen asserts, are constantly seeking to strengthen themselves in order to crush peasant revolts and maintain themselves in power against their rivals. Armaments require money, and this is secured by higher taxes. Thus there appears a vicious circle: taxes—revolts—munitions—taxes. Mr. Chen quotes Professor C. Dragoni's findings in Kiangsi to prove that rural distress, because of these reasons, is becoming deeper instead of showing diminution.

Mr. Chen gives a list of taxes and levies clamped on the peasants in Kwangtung (and undoubtedly duplicated in every other province in China). This list includes labor conscription for roads that farmers are often not allowed to use; sales levies on rice-chaff for feeding pigs and bean-cake as fertilizer; market and transit taxes on pigs, cows, ducks and chickens; sales and transit tax on rice; transit tax on fish and shrimps; license taxes on gambling, opium smoking, religious feasts, marriages and funerals; taxes on transfer of land and mortgages; taxes on remarriage of widows; taxes on butchering oxen and pigs, and inspection fees on goods in transit. And on top of all these come the fundamental land tax on land and the regular payments to the organized bandits,—"the black ticket fees,"—for the permission to cultivate land.

Mr. Chen's conclusions are gloomy, and many readers, while impressed by his statistical data, might disagree with him. "Chinese militarists and bureaucrats," he says, "a great majority being themselves landlords and compradores, can never and will never help to liberate the peasants from their bondage. They only desire to keep up, as far as they possibly can, a status of land monopoly, which is the basis of their exploitation. In the eyes of foreign capitalists, however, they are almost indispensable as they are instrumental in 'maintaining peace and order' and in making China 'safe for trade.' It is plain and inevitable that the imperialists, who urgently seek a profit as immediate as it can be, would not side with the revolting peasants, but would rather render a ready hand to assist the warlords who are also landlords . . . The essence of the national liberation movement is how a national liberation movement can be successfully conducted to abolish the basis of all colonial and feudalistic exploitations. For these exploitations prove to be the fundamental obstacle in developing agriculture in China to a higher level, and to raising the living of 400,000,000 people to a higher standard. It is absolutely necessary to remove this obstacle, thereby liberating the productive forces of the country . . . ."

Even though many readers may not find themselves in agreement with Mr. Chen's apparent advocacy of a revolution as a permanent cure for her agricultural ills, all should include his book in the list of "must" reading.

M.

The Work of American Reporters Abroad

We Cover the World. By sixteen foreign correspondents. Edited by Eugene Lyons. Harcourt, Brace & Co., New York. 441 pages. U.S.$3.

To journalists and to the vast number of people who are destined to have connections with the daily printed word in one way or another, this collection of articles on news-gathering by sixteen American foreign correspondents is illuminating, informative and full of human interest.

The sixteen correspondents represent news agencies such as A.P., U.P., Universal Service, International News Service, North American newspaper Aliance; and journals like the New York *Times*, N.Y. *Herald Tribune*, N. Y. *World-Telegram*, *Chicago Daily News*, *Christian Science Monitor*. There are perhaps others who might be rightfully represented in the volume, but the reader is quite sufficiently impressed by the extensive network of American correspondents—the eyes and ears of the American public—and the formidable influence that they can exercise upon their press at home.

In his introduction, Eugene Lyon, who edited the book, summarizes some of the more interesting aspects of the contributors' foreign service as follows:

"A William Henry Chamberlin observing at close range the first proletarian revolution; Hallett Abend and Randall Gould caught up by the drama of an Orient reawakening in a world owned by Occidentials; Karl von Wiegand, and Junius Wood, and Jim Mills, and 'Spike' Hunt, and Linton Wells in intimate contact year after year with dozens of lands and their strugglers for happiness or survival; George Seldes defying the dictators; Jack Starr-Hunt fascinated by the panorama of life as it flows through Mexico—these and the rest of them are adventurers in a profounder sense, beyond the hazard to their lives and limbs. Their larger hopes or disillusionments feed upon the events which they cover."

As to their way of presentation it is variegated. Chamberlin and Hedges present their observations, trying to interpret Soviet Russia and Japan respectively. Mills, Seldes and Mary Knight narrate some main incidents in their reporting careers, with the difference that Mills is always hunting scoops, Seldes always defying restrictions, and Knight always struggling hard in a feminine way to keep her masculine job. Gould centers his interest on the Chinese revolution and sprinkles the account with personal episodes, while Abend tells the story of his China assignment at large in his characteristic style marked by lucidity and spontaneity.

All the articles in the book are excellent in their own ways. Not until a reader goes through them can he feel the life, the color, the raciness, the humor and the subtlety in the romance of covering the world as it is told here.

Z. B. T.

Future Veterans Want Money in Advance

Patriotism Prepaid. By Lexis J. Gorin, Jr., Princeton 1936, National Commander Veterans of Future Wars. Illustrated by Albert M. Barbieri, Princeton, 1938. Philadelphia, Lippincott, 1936. 107 pages. U. S. $1.00.

Since this amusing book has proved to be a best seller in the United States, it is evident that many people can enjoy a satire on the making of war and the paying for war. Despite Mr. Roosevelt's dictum that the book is "as funny as can be and should be taken lightly," the book is really an illuminating expression of at least some young peoples' view of war.

With remembrance of recent acts of Congress for bonus payments and recalling the throbs of emotional patriotism employed, the subject of Patriotism Prepaid is not idle chatter. The thesis of Veterans of Future Wars founded (in a spirit of amusement) by a student at Princeton University, is that the young members of society receive at once the bonuses which will eventually be due them for their participation in future wars.

"The plan of compensation as outlined by Veterans of Future Wars is just because it gives to the veteran who will die a right to enjoy his honors and emoluments while yet alive. It gives to the future soldier who will be maimed the right to make full use of the financial aid of the country while he is physically able to enjoy and profit by it. There is no gainsaying this vast improvement over past methods of aiding our veterans. Finally: It removes from the soldier who has a pension or bonus thus forced upon him now the stigma of being thought mercenary—the payment-for-services-rendered-idea."

The author contends there are forty million potential members of his organization, and already various colleges have formed "posts" of this association. He also offers to young women a subsidiary organization open to all mothers and future mothers of male children and to future wives of future veterans of future wars!

The chapter on the Panoply of Peace is a brilliant and witty expose of the methods which have been used to stir up public sentiment and to conduct a Washington Lobby. The book is not only a joke—it is far more than that, for it is one more bit of evidence that the present generation of American college students are becoming expressive on matters of national interest.

F. M. R.

Insurance Problems in the United States

Insurance and Banking, by Herbert L. Davis. Christopher Publishing House, Boston, Massachusetts. U.S.$4.50.

This book on insurance and banking, with special attention paid to examinations and accounting, will be of little, if any, value to people in the Far East, since it is concerned with insurance problems in America alone. Further, there is a surprising garrulity to the entire volume, despite its claims to being a scientific treatise which "supplies a long existing need."

One gains the impression the author has been a petty political appointee in the District of Columbia who is anxious to praise some of his over-lords. It seems distinctly out of place to include a poem dedicated to Will Rogers; and extremely amusing to include Dorothy Dix among the distinguished leaders who recommend life insurance.

M. V.

Japanese Officer Sees China as Bone of Contention Between U. S. and Japan

"If there is to be a conflict between Japan and the United States, it must be over a China problem. So it amounts to this: that if Japan and China can act amicably in the future and solve all pending questions between them, there will be no fear of war between Japan and America. And if there is no fear of a Japano-American war, then there is no necessity for America to build such a powerful navy in order to curb Japan's advance," writes Lt.-Commander Tota Ishimaru in his book, "The Next World War" (Hurst & Blackett, 15s.).

"So the argument can be closed," the writer goes on, "by saying that Sino-Japanese co-operation can eliminate the cause of a Pacific war, an unnecessary armaments race, and even the necessity of Anglo-American co-operation. And, still more significant, it would serve as a preventive of a second world war. Both China and Japan should be ready to appreciate this fact. If, on the other hand, these fellow-Orientals insist on quarrelling with each other, then the consequences will be a powerful combination of Great

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Minister of Communications, 1932-35.

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Editorial

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Britain and the United States to be faced, and the result will be the ruin of both these leading nations in the Orient.

"The foreign Powers deep down are displeased with Japan," says Commander Ishimaru in the final chapter of his book, "in regard to her recent actions. Their attitude of observers does not mean that they approve, even tactily, of these actions. They are compelled to take this attitude simply on account of their attentions being absorbed by their own internal troubles. If the Japanese people should become over-confident because of their modest successes, they may wake up one day to find themselves facing the whole world as their enemy; and they will then meet the same fate as did Germany."

Gen. Chiang Kai-shek Asks Co-operation of Intellectuals With Government

In an interview with a correspondent of the *Ta Kung Pao* in Kuling June 4, Gen. Chiang Kai-shek, asked all the intellectual people in the country to co-operate with the Government. "Military activities in the country have come to an end and my health has gradually improved," declared Gen. Chiang. "We shall hereafter direct our attention to developing the country economically." In the interview Gen. Chiang stressed also the importance of education and expressed the hope that all intellectual people will co-operate with the Government for the national salvation movement.

Public Organizations Demand Burning of New Germano-Japan Film

More than 30 public organizations in Shanghai end of last week submimitted a joint petition to the Central Government, demanding the confiscation and the subsequent burning of the new Japano-German film, "New Earth." The new Japanese film, it was claimed in the petition, is a gross insult to the integrity of China.

Contending that "The New Earth," a motion picture produced in Japan under joint German-Japanese auspices, is a political propaganda film, Chinese civic organizations in Shanghai telegraphed a petition to Nanking demanding that it be censored in four places. Meantime, the City Government, acting under instructions from Nanking, asked the Japanese authorities to suspend the showing of the picture on the ground that it was injurious to friendly Sino-Japanese relations.

The Chinese, according to the *Shanghai Nippo*, object to scenes showing a map of Manchukuo, a caption reading Manchukuo, a "shot" of the Great Wall and the silhouette of a Japanese soldier on sentry duty.

On the other hand, local Japanese movie fans expressed outspoken criticism of the production. Writing in the *Shanghai Nichi-Nichi*, a member of the Motion Picture Research Society declared: "From Marco Polo to Dr. Arnold Fanck (director of "The New Earth"), passing through Claude Farrere's 'La Bataille,' there is little difference of what Japan means to people from other lands. Kimono, Fujiyama, Nippon, Musume, etc. Is this a picture of 20th century Japan?"

Asserting that the only lasting impressing received from the film was one of terror brought about by the realization that Japan was a country of earthquakes, the reviewer went on to find fault with the plot. "Why should a wealthy youth, who has studied eight years in Europe and drives his own car, seek 'The New Earth,'" he asked.

THE DUKE OF WINDSOR ASKS FOR PRIVACY

(*Continued from page 38*)

the most humble birth, member of that large fraternity known as "Russian Jew"; in his youth he was an entertainer in a Bowery resort in New York City. His bride was the daughter of a prominent American financier and a Roman Catholic, Clarence H. Mackay, of telegraph and cable fame. The bride's father violently opposed the marriage, probably because he felt that because of the difference in religion and environment it could not be a happy one. Shortly after the marriage the bride in an outburst against newspapermen who were trailing them in a most inconsiderate manner, exclaimed: "It is evident that you don't want us to be happy, but we will be just the same!" And so they are. The only time their names get into the papers now-a-days is when there is an addition to the family, which occurs every now and then.

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121	95¾	5.00	American Can	97	97
35⅞	26⅝	0.60	Amer. Cyanamid "B"	31½	32¼
13¾	6½	—	American & For. Power	7¾	7⅞
68⅞	47½	—	American & Foreign Pwr. $7. pfd.	49	49
29½	21	0.60	American Radiator	21¾	21¾
187	60⅛	9.00	Amerıaen Tel. & Tel.	167½	167
99	74⅞	5.00	American Tobacco "B"	78	77¼
29½	17	0.80	American Waterworks	17⅛	17⅝
69½	48½	1.25	Anaconda Copper	53½	55
93⅝	69½	2.00	Atchison, T. & S. Fe	83¼	83
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71¼	55	3.75	Corn Products	58½	58¼
77¼	48	—	Douglas Aircraft	58½	60½
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28⅛	15⅝	—	Electric Bond & Share	15⅞	15¾
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101	85	3.00	Monsanto Chemical	89½	90
69	50¾	4.30	Montgomery Ward	54	54¾
33¾	25⅛	0.72	Nat. Bond Investment	26⅛	26⅝
26⅛	21	1.20	National Dairy Prods.	22	22¾
35	27½	2.75	National Distillers	30½	31
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53¾	42½	3.00	Pacific Lighting	43	43
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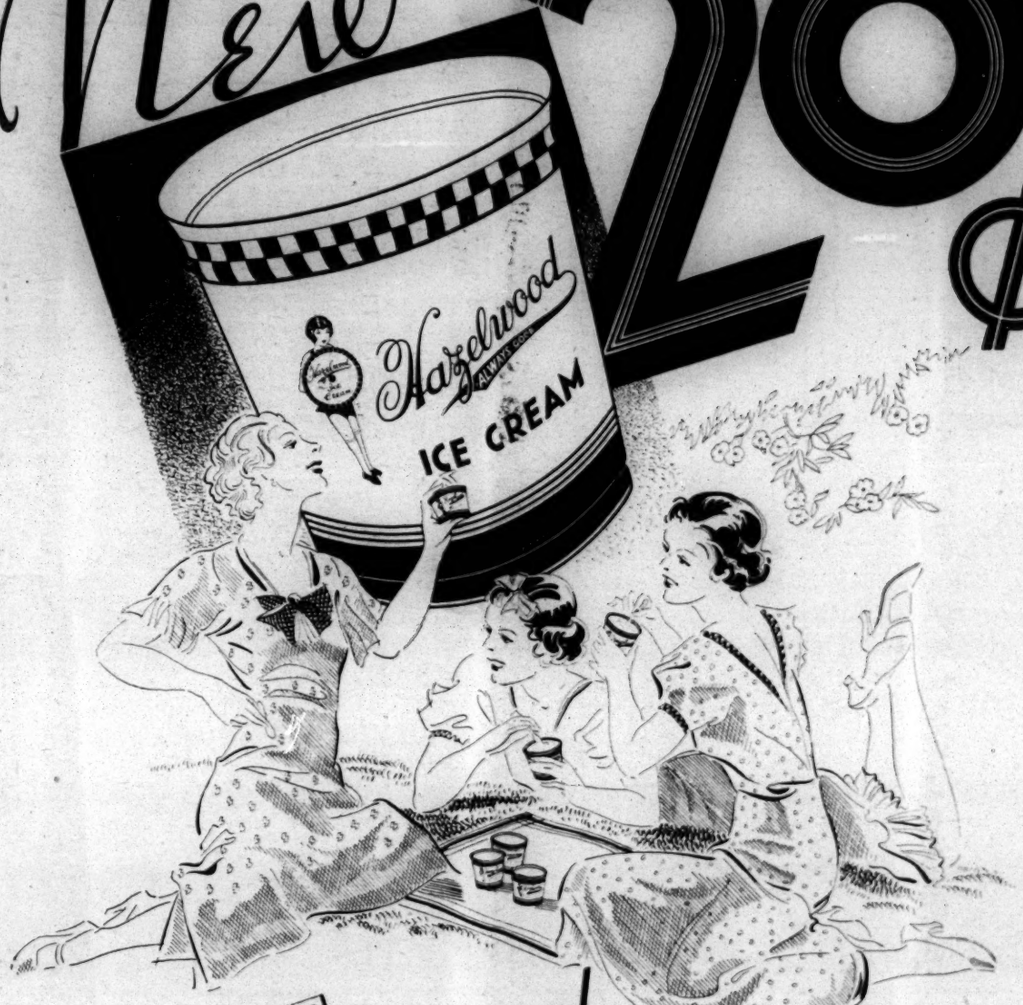

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